2015 ANNUAL REPORT

WPT Industrial Real Estate Investment Trust



INDUSTRIAL
WPT REIT

WPT INDUSTRIAL REAL ESTATE INVESTMENT TRUST (THE "REIT") IS AN UNINCORPORATED, OPEN-ENDED REAL ESTATE INVESTMENT TRUST OWNING AND OPERATING AN INSTITUTIONAL-QUALITY PORTFOLIO OF PRIMARILY INDUSTRIAL INVESTMENT PROPERTIES IN KEY UNITED STATES MARKETS. AS OF DECEMBER 31, 2015, THE REIT INDIRECTLY OWNED 46 INDUSTRIAL PROPERTIES AND TWO OFFICE PROPERTIES TOTALING APPROXIMATELY 15.1 MILLION SQUARE FEET OF GROSS LEASABLE AREA ("GLA") LOCATED IN 13 STATES. THE REIT PAYS MONTHLY CASH DISTRIBUTIONS CURRENTLY AT APPROXIMATELY $0.76 PER TRUST UNIT ON AN ANNUALIZED BASIS IN U.S. FUNDS.

FINANCIAL HIGHLIGHTS

(US $ 000, except per unit amounts)	**Year Ended Dec. 31 2015**	Year Ended Dec. 31 2014
Number of Investment Properties	**48**	42
Investment Properties Revenue	**$ 67,423**	$ 57,351
Net Operating Income	**50,602**	43,318
Funds from Operations	**30,871**	27,523
Funds from Operations per Unit	**$ 0.924**	$ 1.000
Adjusted Funds from Operations	**28,637**	22,568
Adjusted Funds from Operations per Unit	**$ 0.857**	$ 0.820
AFFO Payout Ratio	**84.8%**	85.7%
Weighted Average Units Outstanding	**33,429**	27,537
Retained Interest	**47.3%**	54.3%
Weighted Average Effective Interest Rate	**3.8%**	3.9%
Debt to Gross Book Value	**48.6%**	50.8%
Interest Coverage Ratio	**3.2x**	3.3x
Debt to EBITDA	**8.1x**	7.6x

OPERATING HIGHLIGHTS

48
INVESTMENT PROPERTIES

NEW STRATEGIC RELATIONSHIP formed in January 2016 with Alberta Investment Management Corporation and affiliates ("AIMCo").

Aquired **SIX CLASS A INSTITUTIONAL QUALITY DISTRIBUTION PROPERTIES** totaling 2.3 million square feet.

15.1
MILLION SQUARE FEET OF GLA

27%
RISE IN AFFO FOR THE YEAR

RENEWED LEASES totaling 1.6 million square feet (inclusive of lease renewals with renewal term commencement dates in 2015 and future years).



84.8%

AFFO PAYOUT RATIO
FOR THE YEAR



TO OUR UNITHOLDERS

2015 was another solid year for the REIT. We generated significant portfolio growth resulting in strong financial and operating performance, while the Board of Trustees' strategic review led to a new strategic relationship with AIMCo. Our unitholders also benefited from solid yields as we increased our annualized distribution rate 8.6% from $0.70 per unit to $0.76 per unit.

Key Performance Metrics

(US $ 000, except per unit amounts)	**Year Ended 2015**	Year Ended 2014	Period from 3/4/2013 – 12/31/13
Investment Properties Revenue	**$ 67,423**	$ 57,351	$ 33,659
Net Operating Income	**50,602**	43,318	25,003
Adjusted Funds from Operations	**28,637**	22,568	11,901
AFFO per Unit	**0.857**	0.820	0.509
AFFO Payout Ratio	**84.8%**	85.7%	94.4%
Distributions per Unit	**0.720**	0.700	0.490


40
CAUTION
SPEED
LIMIT
5



STRONG PORTFOLIO GROWTH

Following a year of significant portfolio growth in 2014, in February 2015 we made our largest acquisition yet, a portfolio of six class A, institutional quality distribution properties totaling 2.3 million square feet of GLA located in the Memphis, Tennessee market for a purchase price of $86.7 million. The Memphis properties are 100% leased to 11 high-quality tenants. The purchase was satisfied with proceeds from a successful bought-deal equity offering completed in late January 2015, and a new $51.7 million five-year mortgage with a fixed interest rate of 2.87%.

The acquisition marked our entry into the Memphis market, home of the world's largest FedEx hub and an important industrial center in the U.S. that consistently attracts a full-spectrum of high-quality companies. The purchase further strengthened and diversified our overall property portfolio, adding six class A, modern and highly-functional institutional quality buildings to the portfolio. The contribution from the Memphis properties was accretive to the REIT and helped enhance our payout ratio for the year.

Our property portfolio now consists of 46 industrial buildings and two office properties totaling 15.1 million square feet of GLA, an increase of 75% since our IPO in April 2013.

The portfolio is comprised of properties with a weighted average age of only 14 years, resulting in lower overall maintenance costs and a more attractive value proposition for prospective tenants when compared to older properties.

2.3%

INCREASE IN SAME PROPERTIES NOI FOR THE YEAR

98.6%

OCCUPANCY AT DEC. 31, 2015

Overall, our industrial properties are state-of-the-art, institutional quality assets with an average size of approximately 321,000 square feet, designed to be highly functional and flexible to meet the needs of the largest and most sought-after distribution companies. The average clear ceiling height is approximately 31 feet, a key factor for tenants in the decision to move into distribution space. Our buildings also include important features such as high-capacity sprinkler systems, high-efficiency lighting, ample parking, sufficient outdoor space to turn truck trailers, as well as numerous loading docks to ensure the efficient flow of goods. The properties are also well-located close to major transportation infrastructure in their given geographic locations, a strong competitive advantage, providing the REIT's tenants with predictable one- or two-day drives to the majority of the total U.S. population.

With these strong fundamentals, the REIT's distribution portfolio continues to attract a diversified "blue chip" tenant base with the majority being large, financially stable companies such as General Mills, Unilever, Zulily, Amazon, FedEx, Honeywell, UPS, and eBay. Our tenants are of substantial size, with the average industrial tenant occupying approximately 186,000 square feet of space, a distinct advantage when managing lease rollovers and renewals.

31 ft

AVERAGE CLEAR CEILING HEIGHT

75%

INCREASE IN GLA SINCE IPO






FedEx
Express


EMERSON
Climate Technologies
Distribution Services

17.6%

RISE IN INVESTMENT PROPERTY REVENUES IN 2015

$67.4

MILLION DOLLARS IN REVENUE FOR 2015

STRONG OPERATING PERFORMANCE

The growth in our property portfolio early in the year, combined with our proven property management and leasing programs, resulted in solid financial and operating performance in 2015.

Investment property revenues rose 17.6% for the year ended December 31, 2015 to $67.4 million, up from $57.4 million in the prior year, driving solid growth in our net operating income and funds from operations.

Our key performance benchmark, adjusted funds from operations ("AFFO"), increased 26.9% for the year ended December 31, 2015 to $28.6 million, up from $22.6 million in 2014. The increase was due to the full contribution from property acquisitions completed in 2014 and 2015, increased average occupancies, and increasing base rents in 2015 compared to the prior year. Importantly, our growth in 2015 was also accretive as AFFO per Unit rose 4.5% compared to the prior year. The REIT's AFFO payout ratio also remained strong at 84.8% in 2015 compared to 85.7% last year.

Our balance sheet and financial position remained strong at year end with a conservative debt to gross book value ratio of 48.6%, an interest coverage ratio of 3.2 times, a debt-to-EBITDA ratio of 8.1 times, and a fixed charge coverage ratio of 2.8 times. The weighted average effective interest rate on our outstanding debt was 3.8% at year end, down from 3.9% as at December 31, 2014, with a weighted average term to maturity on our mortgage debt of 4.9 years. Our weighted average remaining lease term as at December 31, 2015 was 3.9 years.

During the year, the REIT renewed leases totaling 1.6 million square feet (inclusive of lease renewals with renewal term commencement dates in 2015 and future years). Additionally, only 16 leases (representing 10.3% of our total lease portfolio) are due to expire in 2016, contributing to the stability and predictability of our near-term cash flows.

Due to steady growth and strong operating performance, in August 2015 we were pleased to announce an 8.6% increase in our cash distributions to $0.76 per Unit on an annualized basis, a testament to our commitment to enhancing unitholder value over the long term.








Honeywell

BUILDING VALUE

Looking ahead, we will continue to execute the same growth strategies that have been successful since our IPO in April 2013.

Organic growth will be driven by capitalizing on increasing demand for distribution space, increased revenues from contractual rent increases and maintaining our track record of strong occupancies. A number of our properties have leases with below market rents, and we are working hard to increase these rents on lease renewal or turnover. We also continue to operate numerous programs aimed at controlling our operating costs while ensuring our property management programs are the best in the industry.

The real catalyst for growth will come from our proven ability to grow and diversify our property portfolio through acquisitions.

Properties acquired since our IPO have made a significant, growing and accretive contribution to our results, and we are confident our future acquisitions will also generate increases in cash flows and strong returns for our unitholders. In addition, our new strategic relationship with the REIT's external manager – WPT Capital Advisors, LLC – will provide another avenue for growth through potential investments in WPT Capital's private investment funds and opportunities to acquire properties sold by those funds that fit the REIT's investment criteria.

In closing, we are pleased with our performance in 2015. And with the strategic review process initiated in 2015 complete, we look forward to focusing all our efforts on building long term value for unitholders in the years ahead.



Scott Frederiksen
Chief Executive Officer

Top 10 Tenants

Tenant	GLA occupied	Total portfolio GLA (%)	Sector
General Mills Operations, LLC	1,512,552	10.0%	Consumer Products
Unilever Home & Personal Care	1,262,648	8.4%	Consumer Products
Zulily Inc	737,471	4.9%	Online Retailer
Fullbeauty Brands, Inc.	741,092	4.9%	Online Retailer
Essendant Co. (United Stationers Supply Co)	654,080	4.3%	Consumer Products
CEVA Logistics U.S. Inc	648,750	4.3%	Logistics
Amazon.com	572,000	3.8%	Online Retailer
eBay Enterprises Inc. (GSI Commerce Solutions Inc)	543,512	3.6%	Online Retailer
Honeywell International Inc	754,000	5.0%	Consumer Products
KGB Logistics, Inc.	311,100	2.1%	Logistics
Total	**7,737,205**	**51.3%**	

GROWTH

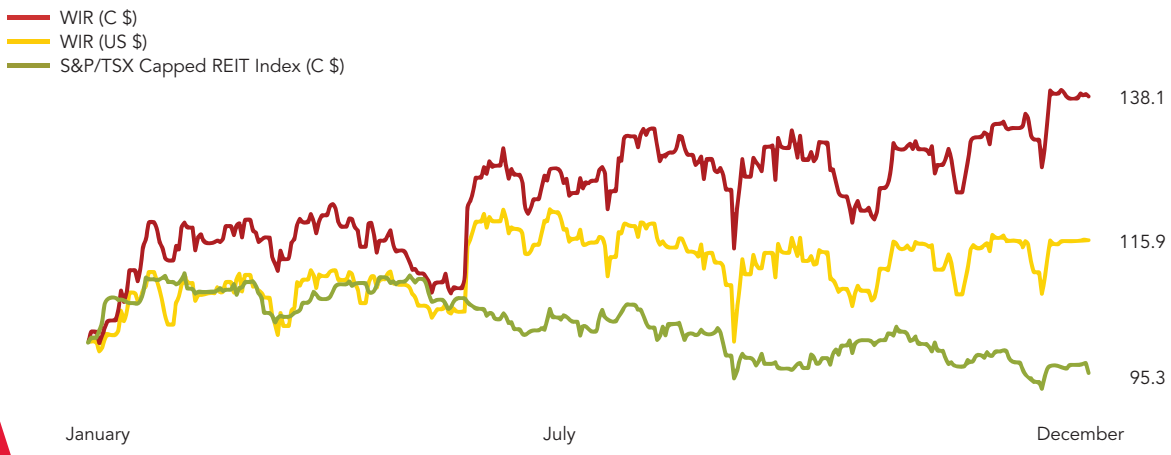
ORGANIC

- Maintain consistently high occupancies
- Negotiate contractual rent increases
- Bring rents to market on lease renewals
- Effective asset and property management
- Strategic debt placement and mortgage refinancing

EXTERNAL

- Capitalize on strong acquisition pipeline and industry relationships
- Leverage proven track record of sourcing, completing and integrating acquisitions
- Seek out potential investments in value – add and development funds; use rights of first opportunity to acquire assets from these private funds

2015 Relative Total Return Performance vs. S&P/TSX Capped REIT Index (C $)





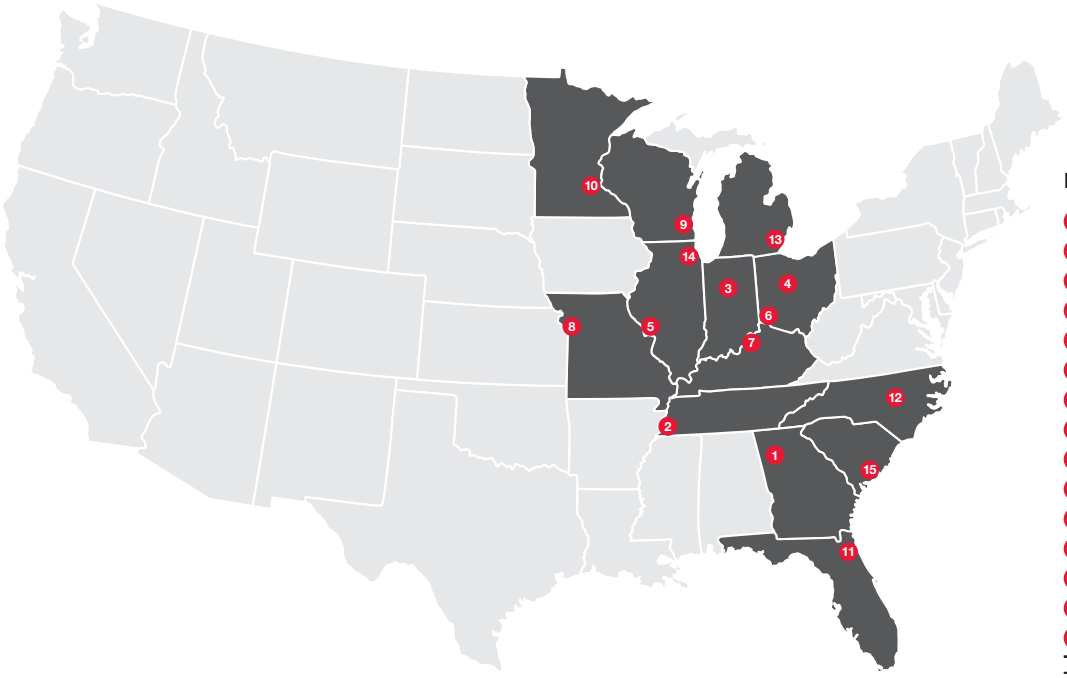
2015 Net Operating Income (NOI) by State

State	Percent (%)	Occupancy at Dec. 31, 2015 (sq. ft.)	Number of Tenants
Georgia	17.7%	2,825,935	14
Tennessee	12.8%	2,327,018	11
Kentucky	12.0%	1,907,312	5
Minnesota	10.8%	568,534	20
Indiana	9.4%	1,764,533	5
Ohio	8.3%	1,570,471	4
Illinois	8.3%	1,492,163	5
Kansas	7.5%	827,100	5
Wisconsin	4.5%	589,723	8
South Carolina	3.1%	158,583	4
Michigan	2.4%	248,040	2
Florida	1.8%	353,401	7
North Carolina	1.4%	252,465	1
Total	**100%**	**14,885,278**	**91**

WPT INDUSTRIAL REIT

AT-A-GLANCE

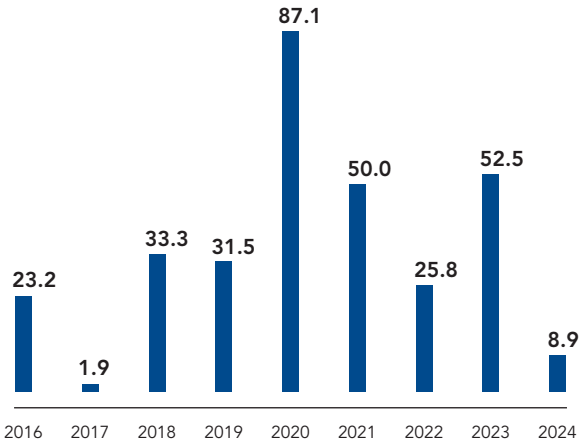
Strategic Locations Serving Majority of U.S. Population



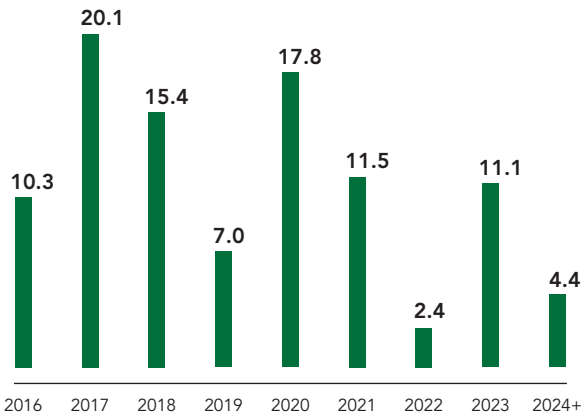
Portfolio Market (sq. ft.)

1	Atlanta, GA	2,868,329
2	Memphis, TN	2,327,018
3	Indianapolis, IN	1,896,533
4	Columbus, OH	1,491,471
5	St. Louis, MO	1,262,648
6	Cincinnati, OH	1,070,312
7	Louisville, KY	936,000
8	Kansas City, KS	827,100
9	Milwaukee, WI	589,723
10	Minneapolis, MN	586,333
11	Jacksonville, FL	353,401
12	Durham, NC	252,465
13	Detroit, MI	248,040
14	Chicago, IL	229,515
15	Charleston, SC	158,583
Total		**15,097,471**

Future Mortgages Payable Maturities
(US $ 000,000)



Lease Expiration by Year (%)



Property Portfolio

DISTRIBUTION	City	State	Market Area	Property type	Year built	Area (sq. ft.)	Ceiling Clear height (ft.)
1. 6600 Pritchard Road	Jacksonville	FL	Jacksonville	Multi-tenant	2009	126,056	30
2. 5301 West 5th Street	Jacksonville	FL	Jacksonville	Multi-tenant	1973	121,345	25
3. 5540 Broadway Avenue	Jacksonville	FL	Jacksonville	Multi-tenant	1974	106,000	25
4. 600 Hartman Industrial Court	Austell	GA	Atlanta	Multi-tenant	2005	525,627	32
5. 8 Mount Moriah Road	Auburn	GA	Atlanta	Single-tenant	2007	155,000	28
6. 1370 Discovery Industrial Court	Mableton	GA	Atlanta	Single-tenant	2007	150,000	32
7. 6751 Discovery Boulevard	Mableton	GA	Atlanta	Single-tenant	2001	115,000	30
8. 7515 Hartman Industrial Way (Hartman IV)	Austell	GA	Atlanta	Multi-tenant	2008	113,748	28
9. 1871 Willow Springs Church Road	Social Circle	GA	Atlanta	Single-tenant	2010	1,512,552	32
10. 5620 Inner Park Drive	Pontoon Beach	IL	St. Louis	Single-tenant	2003	1,262,648	32
11. 535 Shingle Oak Drive	West Chicago	IL	Chicago	Single-tenant	2007	150,000	30
12. 3003 Reeves Road	Plainfield	IN	Indianapolis	Single-tenant	2003	741,092	36
13. 6579 West 350 North	Greenfield	IN	Indianapolis	Multi-tenant	2002	629,241	32
14. 1105 East Northfield Drive	Brownsburg	IN	Indianapolis	Multi-tenant	2007	526,200	32
15. 500 Sumner Way	New Century	KS	Kansas City	Single-tenant	1983	311,100	24
16. 2440-2450 Midpoint Drive	Edwardsville	KS	Kansas City	Multi-tenant	2006	225,000	30
17. 2401-2430 Midpoint Drive	Edwardsville	KS	Kansas City	Single-tenant	2005	180,000	30
18. 8500-8950 Hedge Lane Terrace (Perimeter)	Shawnee	KS	Kansas City	Multi-tenant	1999	111,000	28
19. 2750 Earhart Court	Hebron	KY	Cincinnati	Single-tenant	2003	127,800	30
20. 100 West Thomas P Echols Drive	Shepherdsville	KY	Louisville	Multi-tenant	2009	936,000	32
21. 1500 Worldwide Blvd	Hebron	KY	Cincinnati	Single-tenant	1999	300,000	32
22. 40 Logistics Boulevard	Walton	KY	Cincinnati	Single-tenant	2007	543,512	32
23. 25295 Guenther Road	Warren	MI	Detroit	Multi-tenant	1997	247,900	32
24. 224 North Hoover Road	Durham	NC	Durham	Single-tenant	1972	252,465	24
25. 6766 Pontius Road	Groveport	OH	Columbus	Single-tenant	2006	754,000	35
26. 3051 Creekside Parkway	Obetz	OH	Columbus	Single-tenant	2006	737,471	33
27. 325 Larsen Drive	Fond du Lac	WI	Milwaukee	Single-tenant	1996	234,000	42
28. 1962 Queenland Drive	Mosinee	WI	Milwaukee	Single-tenant	2007	106,000	28
29 5300 Hickory Hill Road	Memphis	TN	Memphis	Multi-tenant	1999	888,262	32
30 5405 Hickory Hill Road	Memphis	TN	Memphis	Single-tenant	2000	338,000	32
31 5950 Freeport Avenue	Memphis	TN	Memphis	Multi-tenant	2000	108,250	24
32 6190 Freeport Avenue	Memphis	TN	Memphis	Single-tenant	2000	283,756	30
33 5166 Pleasant Hill Road	Memphis	TN	Memphis	Single-tenant	2001	648,750	32
WAREHOUSE							
34. 1685 Boggs Road	Duluth	GA	Atlanta	Multi-tenant	1996	164,008	26
35. 2940 Old Norcross Road	Duluth	GA	Atlanta	Multi-tenant	1994	132,394	24
36. 115 West Lake Drive	Glendale Heights	IL	Chicago	Multi-tenant	1999	79,515	24
37. 1880 Parkview Drive	Shoreview	MN	Minneapolis	Single-tenant	2003	71,481	20
38. 707 West County Road E	Shoreview	MN	Minneapolis	Single-tenant	1973	71,338	25
39. 7401 Cahill Road	Edina	MN	Minneapolis	Multi-tenant	1979	45,672	18
40. 3440 Symmes Road	Hamilton	OH	Cincinnati	Single-tenant	2000	54,000	24
41. 25 Enterprise Drive	Hamilton	OH	Cincinnati	Multi-tenant	2003	45,000	24
42. 5200-5390 Ashland Way	Franklin	WI	Milwaukee	Multi-tenant	1999	155,320	24
43. N22 W23977 Ridgeview Parkway	Pewaukee	WI	Milwaukee	Multi-tenant	1998	94,403	24
44. 4800 Pleasant Hill Road	Memphis	TN	Memphis	Single-tenant	1998	60,000	28
FLEX							
45. 3000 Ames Crossing Drive	Eagan	MN	Minneapolis	Multi-tenant	2008	116,549	19
46. 5910 Rice Creek Parkway	Shoreview	MN	Minneapolis	Multi-tenant	2002	114,103	20
OFFICE							
47. 4350 and 4400 Baker Road	Minnetonka	MN	Minneapolis	Multi-tenant	2008	167,190	N/A
48. 8085 Rivers Avenue	North Charleston	SC	Charleston	Multi-tenant	1984	158,583	N/A
TOTAL PORTFOLIO GLA						**15,097,471**	

BOARD OF TRUSTEES

SCOTT T. FREDERIKSEN

Mr. Frederiksen is the Chief Executive Officer of the REIT. He is also the Chief Executive Officer and a member of the board of managers of Welsh Property Trust, LLC ("Welsh") and WPT Capital Advisors. Mr. Frederiksen has served in many distinguished roles during his 25-year tenure with the Welsh organization. Starting as an industrial broker in 1987, he was named Senior Vice President in 1996 and became a Principal of Welsh Companies, LLC in 2006. Mr. Frederiksen also served as President of WelshInvest, LLC from January 2008 until his appointment as Chief Executive Officer of Welsh in 2010. In his current role as Chief Executive Officer of Welsh and WPT Capital Advisors, Mr. Frederiksen is responsible for strategic oversight of the asset-based growth of the company, leading a team of dedicated professionals in the areas of financial analysis, acquisitions, due diligence, legal, investor relations, financing, asset management and dispositions. Mr. Frederiksen was also instrumental in negotiating and structuring a $200 million credit facility for Welsh as part of a strategic consolidation of Welsh's industrial portfolio. He serves as a frequent speaker and panelist for regional and national industry organizations in the U.S. and Canada, including the UBS Industrial Summit, the National Association of Industrial and Office Parks, REALpac, the BMO Global Real Estate Conference, NAREIT and RealREIT. Mr. Frederiksen holds a Bachelor of Science degree from St. Cloud State University, where he graduated summa cum laude. He is a Certified Commercial Investment Member, a member of the National Association of Real Estate Investment Trusts and the Society of Industrial and Office Realtors, and holds a Real Estate Broker's License in the State of Minnesota. Mr. Frederiksen also holds his Series 24, 7 and 63 securities licenses and is a principal license holder for Welsh Securities, LLC.

ROBERT T. WOLF

Mr. Wolf, through RTW Capital Corporation, has been making active investments in and providing financial consulting to small and medium businesses in a variety of sectors since February 2008. He also currently serves as a trustee and Chair of the Investment Committee of InnVest Real Estate Investment Trust (TSX: INN.UN). Mr. Wolf serves as a trustee and Chair of the Investment Committee of OneREIT (formerly Retrocom Real Estate Investment Trust) (TSX: RMM.UN). Mr. Wolf also serves as a director of Crosswinds Holdings, Inc., fka C.A. Bancorp Inc. (TSX: CWI), which is a merchant bank and alternative asset manager with a primary focus on the insurance industry. Mr. Wolf was a director of C.A. Bancorp Canadian Realty Finance Corporation from February 2008 to April 2011. Prior to March 2008, Mr. Wolf served as Chief Financial Officer of RioCan Real Estate Investment Trust, Canada's largest real estate investment trust, from its inception in 1994. Prior to 1994, Mr. Wolf held a variety of positions in both public and private real estate companies. Mr. Wolf holds a Chartered Accountancy designation and received a Masters of Business Administration from the Schulich School of Business at York University and a Bachelor of Commerce from McGill University.

MILO D. ARKEMA

Mr. Arkema is an independent consultant with Chima Consulting, LLC. Prior to joining Chima Consulting, LLC in 2013, Mr. Arkema was a director and employee of Baker Tilly Virchow Krause, LLP, an accounting and advisory firm, from 2007 to 2012. Prior to 2007, Mr. Arkema was a partner at Baker Tilly Virchow Krause LLP, and served as a member of its executive committee for five years. Mr. Arkema's principal focus has been advising and consulting with entrepreneurs, shareholders, family businesses, and boards regarding strategy, capital formation, management issues, executive compensation and general business issues. Currently, he also leads and manages financial due diligence engagements for private equity firms and strategic buyers. Mr. Arkema is a member of the board of Data Sciences International Inc., and is the former Chairman of the board of directors of CaringBridge, a non-profit organization that provides free websites to connect family and friends during serious health events. Mr. Arkema also previously served as an independent member of the investment committee of two investment funds that hold minority equity interests in Welsh. He is a member of the American Institute of Certified Public Accountants and the Minnesota Society of Certified Public Accountants. Mr. Arkema holds a Bachelor of Arts in Accounting from Dordt College.

SARAH B. KAVANAGH

Since 2011, Ms. Kavanagh has served as a Commissioner, and currently is the Chair of the Audit Committee at the Ontario Securities Commission. She is also currently a Director and Chair of the Audit Committee of Hudbay Minerals Inc. (TSX: HBM; NYSE: HBM), a Director and Chair of the Audit Committee at the American Stock Transfer and Canadian Stock Transfer and a Director of Canadian Tire Bank and Sustainability Development Technology Corporation. Between 1999 and 2010, Ms. Kavanagh served in various roles in Investment Banking at Scotia Capital Inc., including Vice-Chair and Co-Head of Diversified Industries Group, Managing Director and Head of Equity Capital Markets, Head of Investment Banking and Head of Canadian Relationship Management. Ms. Kavanagh graduated from Harvard Business School with a Masters in Business Administration and received a Bachelor of Arts degree in Economics from Williams College. Ms. Kavanagh also completed the Directors Education Program at the Institute of Corporate Directors in May 2011.

HARRY ROSENBAUM

Mr. Rosenbaum is a founding principal and director of the Great Gulf Group of Companies, one of North America's premier real estate conglomerates. He has been instrumental in manifesting such iconic projects as One Bloor East, Toronto, Ontario. Mr. Rosenbaum is a partner and director of Ashton Woods Homes, one of the largest private homebuilders in the United States. Prior to the creation of the Great Gulf Group of Companies, Mr. Rosenbaum practiced commercial and real estate law at a Toronto law firm. He has also served as a director of Ashton Woods USA LLC since 1997. Mr. Rosenbaum is active as a director of various charitable and non-profit organizations including the ACL (Advocates for Civil Liberties) and CZCA (Canadian Zionist Cultural Association). Mr. Rosenbaum holds a Bachelor of Laws degree from Osgoode Hall Law School and a degree in Economics from York University.

CHARLES B. SWANSON

Mr. Swanson brings to the Board of Trustees over 25 years of experience in finance and investments, during which time he has been involved in economic and credit analysis, money market and bond trading, stock, bond and mortgage portfolio management, private placement lending, strategic investment management, and global real estate investing. From 1988 to 2012, Mr. Swanson was Vice President, Real Estate at British Columbia Investment Management Corporation (and its predecessor). In this role, Mr. Swanson managed investments in Canadian and foreign real estate and grew the real estate portfolio to approximately Cdn$13 billion in net assets in Canadian and international investments. Mr. Swanson served as a director at SilverBirch Management Ltd. from 2009 to 2011 and as a director at Bentall Capital Limited Partnership from 2006 to 2008. Previously, Mr. Swanson has served on boards of numerous companies, including Delta Hotels Limited, Kennedy Associates Real Estate Counsel, LP, Landon Butler and Company, LP, Heritage Realty Properties Ltd., B.G. Preeco 5 Ltd. and Hillhurst-Sunnyside Community Association. Mr. Swanson was a member of the Law Society of Alberta from 1988 to 2015. Mr. Swanson received a Bachelor of Science (Psychology) degree from Washington State University, a Bachelor of Commerce degree and a Masters of Business Administration from the University of Alberta and a Bachelor of Laws from the University of Calgary.

ANDREW M. SILBERSTEIN

Mr. Silberstein is a Partner at Almanac. Mr. Silberstein joined Realty Investors, LLC ("Almanac") in 2009 and is responsible for the origination, structuring, and management of Almanac's investments. In 2007, Mr. Silberstein founded AMS Real Estate Partners. From 2004 through 2007, Mr. Silberstein served as the Chief Investment Officer and Chief Operating Officer for Stoltz Real Estate Partners. From 1994 through 2004, Mr. Silberstein worked in real estate investment banking and private equity, first at The Bear Stearns Companies, Inc., from 1994 to 1999, and then at Morgan Stanley, from 1999 to 2004. Mr. Silberstein has been a member of the National Association of Real Estate Investment Trusts, the Urban Land Institute, the International Council of Shopping Centers and the Real Estate Roundtable, and he is a former director of RXR Realty LLC, NRES Holdings, LLC, and Welsh, and a current director of Westcore Properties, LLC, Winter Properties, LLC, Slate Asset Management LP and RAIT Financial Trust (NYSE: RAS). Mr. Silberstein graduated from Yale University with a Bachelor of Arts degree and received a Masters of Business Administration degree from New York University Stern School of Business where he was a Glucksman Fellow.

WPT INDUSTRIAL REAL ESTATE INVESTMENT TRUST



MANAGEMENT'S DISCUSSION AND ANALYSIS

OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

FOR THE YEAR ENDED DECEMBER 31, 2015

March 23, 2016

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BASIS OF PRESENTATION

The following Management's Discussion and Analysis ("**MD&A**") is prepared as at March 23, 2016 and outlines WPT Industrial Real Estate Investment Trust's (the "**REIT**") operating strategies, risk profile considerations, business outlook and analysis of its financial performance and financial condition for the three months and years ended December 31, 2015 and 2014. This MD&A should be read in conjunction with the REIT's audited consolidated financial statements and accompanying notes for the years ended December 31, 2015 and 2014. These documents, as well as additional information relating to the REIT (including the REIT's annual information form for the year ended December 31, 2015) (the "**Annual Information Form**") can be accessed on the REIT's website at www.wptreit.com and under the REIT's SEDAR profile at www.sedar.com.

This MD&A is based on financial statements prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board ("**IASB**") in thousands of United States dollars, unless otherwise stated.

NON-IFRS MEASURES

Certain terms used in this MD&A such as funds from operations ("**FFO**"), adjusted funds from operations ("**AFFO**"), net operating income ("**NOI**"), same properties NOI ("**Same properties NOI**"), earnings before interest, taxes, depreciation and amortization ("**EBITDA**"), debt to EBITDA, AFFO payout ratio, debt-to-gross book value, interest coverage ratio, fixed charge coverage ratio, and any related per unit amounts used by management to measure, compare and explain the operating results and financial performance of the REIT are not recognized terms under IFRS, and therefore should not be construed as alternatives to net income (loss) and comprehensive income (loss) or cash flow from operating activities calculated in accordance with IFRS. Management believes that these terms are relevant measures in comparing the REIT's performance to industry data and the REIT's ability to earn and distribute cash returns to holders of the REIT's trust units ("**REIT Units**"). These terms are defined below and are reconciled to the consolidated financial statements of the REIT for the three months and year ended December 31, 2015 and 2014, in Part II. Such terms do not have a standardized meaning prescribed by IFRS and may not be comparable to similarly titled measures presented by other issuers.

FFO is defined as net income (loss) in accordance with IFRS, (i) plus or minus fair value adjustments to investment properties; (ii) plus or minus gains or losses from sales of investment properties; (iii) plus or minus other fair value adjustments; (iv) plus amortization of tenant incentives; (v) plus transaction costs expensed as a result of the purchase of an investment property being accounted for as a business combination; (vi) plus distributions on redeemable or exchangeable units treated as interest expense; (vii) plus or minus any negative goodwill or goodwill impairment; (viii) plus deferred income tax expense, after adjustments for equity accounted entities and joint ventures calculated to reflect FFO on the same basis as consolidated investment properties; and (ix) adjustments for property taxes accounted for under International Financial Reporting Interpretations Committee ("**IFRIC**") 21. FFO has been prepared consistently with the definition presented in the white paper on funds from operations prepared by the Real Property Association of Canada for all periods presented.

AFFO is defined as FFO subject to certain adjustments, including: (i) amortization of fair value mark-to-market adjustments on long-term debt and amortization of financing costs; (ii) any differences resulting from recognizing investment property rental revenues or expenses on a straight-line basis; (iii) adjusting for any deferred compensation expense; and (iv) deducting a reserve for normalized maintenance capital expenditures, tenant inducements and leasing commissions, as determined by the REIT. Other adjustments may be made to AFFO as determined by the board of trustees of the REIT (the "**Board**" or the "**Board of Trustees**") in their sole discretion. Strategic process expenses (as described in the "Overview" section of this MD&A) have been adjusted for in this manner.

NOI is used by industry analysts, investors and management to measure operating performance of real estate investment trusts. NOI represents investment properties revenue less investment properties operating expenses less fair value adjustment to investment properties in respect of IFRIC 21. Accordingly, NOI excludes certain expenses included in the determination of net income (loss) and comprehensive income (loss) such as interest expense.

Same properties NOI is used by management to evaluate period-over-period performance of investment properties fully owned by the REIT. This non-IFRS measure does not have a standardized meaning prescribed by IFRS and may not be comparable to similarly titled measures presented by other issuers. Same properties NOI represents NOI from investment properties acquired and owned for consistent periods and excludes amortization of straight-line rent and amortization of lease incentives and other rental income.

Same properties NOI has been reconciled to NOI for the consolidated portfolio under the headings "Same properties NOI" and "Same properties NOI prior quarter comparison".

EBITDA is defined as earnings before interest, taxes, depreciation and amortization.

Debt to EBITDA is defined as the average rolling twelve month consolidated debt balance (excluding mark-to-market adjustments and financing costs) divided by a rolling twelve month EBITDA.

AFFO payout ratio is defined as distributions of the REIT (including distributions on Class B partnership units ("**Class B Units**") of WPT Industrial, LP (the "**Partnership**") divided by AFFO.

Debt-to-gross book value is calculated by dividing total principal amounts outstanding under mortgages payable and the senior secured revolving credit facility (the "**Revolving Facility**") by the total carrying value of investment properties.

Interest coverage ratio is defined as year-to-date EBITDA divided by the sum of the REIT's year-to-date interest on mortgages payable and interest on the Revolving Facility.

Fixed charge coverage ratio is defined as year-to-date EBITDA divided by the sum of the REIT's year-to-date interest on mortgages payable, interest on the Revolving Facility, and scheduled principal repayments of mortgages payable.

FORWARD LOOKING STATEMENTS

This MD&A contains "**forward-looking information**" as defined under Canadian securities laws (collectively, "**forward-looking statements**") which reflect management's expectations regarding objectives, plans, goals, strategies, future growth, results of operations, performance, business prospects and opportunities of the REIT. The words "**plans**", "**expects**", "**does not expect**", "**scheduled**", "**estimates**", "**intends**", "**anticipates**", "**does not anticipate**", "**projects**", "**believes**", or variations of such words and phrases or statements to the effect that certain actions, events or results "**may**", "**will**", "**could**", "**would**", "**might**", "**be achieved**", or "**continue**" and similar expressions identify forward-looking statements. Some of the specific forward-looking statements in this MD&A include, but are not limited to statements regarding the objectives and strategic focus of the REIT, future distributions by the REIT, management's beliefs regarding predictability and certainty of cash flow, management's beliefs regarding investment opportunities in the U.S. industrial real estate market, management's beliefs regarding U.S. economic recovery and vacancy rate trends, statements regarding tenant demand in the distribution sub-segment, including statements regarding demand for state-of-the-art distribution and logistics space, speculative development in distribution markets, management's views on vacancy rates in the state-of-the-art distribution market and management's beliefs regarding absorption of vacancy in distribution investment properties in major distribution markets in the U.S. over the past years, management's beliefs regarding re-tenanting costs, management's beliefs regarding key trends and continued and increased demand within the industrial real estate market, management's beliefs regarding the effect of the experience of the external asset and property manager of the REIT, in the U.S. industrial real estate market on tenant retention and future acquisitions by the REIT, statements regarding the sources of organic growth including statements regarding initiatives aimed at optimizing the performance, value and long-term cash flow of the REIT's investment property portfolio, statements regarding the REIT's external growth strategy including statements regarding diversification, the REIT's cost of capital, borrowing costs and opportunities to increase the cash flow and value of the existing portfolio of investment properties through initiatives designed to enhance operations, management's beliefs regarding future maintenance expenditures, statements regarding the attractiveness of newer investment properties to prospective tenants, statements relating to the quality and future valuations of the REIT's portfolio of investment properties, statements relating to lease terms, termination and future maintenance and leasing expenditures, statements regarding the REIT's ability to meet all of its ongoing obligations with current cash generated

from operations, draws on its Revolving Facility and new equity and debt issuances, management's belief regarding the fair values of the REIT's investment properties and statements regarding the REIT's debt strategy, including statements regarding the REIT's intention to maintain staggered mortgages payable maturities.

Forward-looking statements are necessarily based on a number of estimates, beliefs and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies which could cause actual results to differ materially from those that are disclosed in such forward-looking statements. While considered reasonable by management of the REIT as of the date of this MD&A, any of these estimates, beliefs or assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those estimates, beliefs or assumptions could be incorrect. The REIT's estimates, beliefs and assumptions, which may prove to be incorrect, include the various estimates, beliefs and assumptions set forth herein, and include but are not limited to, the desirability of investment properties in the distribution subsector of the U.S. industrial real estate market to investors, including the industrial investment properties in the REIT's portfolio, key trends and continued and increased demand within the industrial investment property real estate market, the effect of the external manager's experience in the U.S. industrial real estate market on tenant retention and future acquisitions by the REIT, the future growth potential of the REIT and its properties, anticipated amounts of expenses, results of operations, future prospects and opportunities, the demographic and industry trends remaining unchanged, no change in legislative or regulatory matters, future levels of indebtedness, the tax laws in both Canada and the U.S. as currently in effect remaining unchanged, current levels of volatility in the demand for space in the distribution sub-segment remaining unchanged, the continued availability of capital, the current economic conditions remaining unchanged and increased tenant demand for industrial investment properties and declining vacancy rates in the markets in which the REIT's investment properties are located.

When relying on forward-looking statements to make decisions, the REIT cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not the times at or by which such performance or results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including but not limited to those factors discussed under the "Risk Factors" section of this MD&A.

Certain statements included in this MD&A may be considered a "**financial outlook**" for purposes of applicable Canadian securities laws, and as such, the financial outlook may not be appropriate for purposes other than this MD&A. These forward-looking statements are made as of the date of this MD&A. Except as expressly required by applicable law, the REIT assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All forward-looking statements in this MD&A are qualified by these cautionary statements.

OVERVIEW

The REIT is an unincorporated, open-ended real estate investment trust established pursuant to a declaration of trust dated March 4, 2013, under the laws of the Province of Ontario, (the "**Declaration of Trust**"), as amended and restated on April 26, 2013. A copy of the Declaration of Trust is available on the REIT's website at www.wptreit.com and on the SEDAR website at www.sedar.com. The REIT's Units are listed and publicly traded in Canada on the Toronto Stock Exchange ("**TSX**"), in U.S. dollars, under the symbol "WIR.U", and in the U.S. on the OTCQX marketplace ("**OTCQX**") under the symbol "WPTIF". As at December 31, 2015, there were 18,523,119 REIT Units outstanding.

The REIT was formed for the purpose of acquiring and owning primarily industrial investment properties located in the U.S., with a particular focus on distribution industrial real estate. As at December 31, 2015, the REIT owned a portfolio of investment properties consisting of 15,097,471 square feet of gross leasable area ("**GLA**"), comprised of 46 industrial investment properties and two office investment properties, located in 13 states in the U.S.

On April 4, 2014, the REIT issued 3,478,200 REIT Units (including REIT Units issued pursuant to the exercise in full of the over-allotment option granted to the underwriters by the REIT) at a price of $9.30 per REIT Unit to a syndicate of underwriters on a bought deal basis for gross proceeds to the REIT of approximately $32,347 (the "**April 2014 Offering**").

Issue costs related to the April 2014 Offering were $1,723. As part of the April 2014 Offering, Welsh Property Trust, LLC ("**Welsh**") purchased $7,000 of the REIT Units being offered, or 752,700 REIT Units at the offering price of $9.30 per REIT Unit.

On April 4, 2014, the REIT indirectly acquired from Welsh, a 100% leased, 300,000 square foot industrial investment property located in Hebron, Kentucky (the "**Kentucky Property**"), for a purchase price of $13,300 (exclusive of closing costs and acquisition fee). The purchase price was paid in cash using a portion of the $32,347 gross proceeds from the April 2014 Offering.

On April 29, 2014, the REIT indirectly acquired from a third party, a 100% leased, 1,512,552 square foot industrial investment property located in Atlanta, Georgia (the "**Atlanta Property**") for a purchase price of $51,500 (exclusive of closing costs and acquisition fee). The purchase price was satisfied with proceeds from the April 2014 Offering, proceeds from a new, $28,325 five-year mortgage payable bearing a fixed interest rate of 3.41%, and cash on hand.

On June 18, 2014, the REIT indirectly acquired from Welsh, a 100% leased, 936,000 square foot industrial investment property located in Shepherdsville, Kentucky (the "**Louisville Property**") for a purchase price of $45,396 (exclusive of closing costs and fair value adjustment to Class B Units issued). The purchase price was satisfied by the issuance of 2,165,605 Class B Units to Welsh and proceeds from a new, $24,915 eight-year mortgage payable bearing a fixed interest rate of 3.77%.

On June 27, 2014, the REIT indirectly acquired from a third party, a 100% leased, 127,800 square foot industrial investment property located in Hebron, Kentucky (the "**OIA Property**") for a purchase price of $5,500 (exclusive of closing costs and acquisition fee). The purchase price was satisfied with cash on hand and proceeds from the Revolving Facility.

On January 28, 2015, the REIT issued 4,312,500 REIT Units (including REIT Units issued pursuant to the exercise in full of the over-allotment option granted by the REIT to the underwriters of the offering) at a price of $10.80 per REIT Unit to a syndicate of underwriters on a bought deal basis for gross proceeds to the REIT of approximately $46,575 (the "**January 2015 Offering**"). Issue costs related to the January 2015 Offering were $2,430.

On February 20, 2015, the REIT indirectly acquired from a third party, a 100% leased, 2,327,018 square foot portfolio of six industrial investment properties located in Memphis, Tennessee (the "**Memphis Portfolio**") for a purchase price of $86,667 (exclusive of closing costs and acquisition fee). The purchase price was paid in cash using a portion of the net proceeds from the January 2015 Offering and a new, $51,750 five-year mortgage payable bearing a fixed interest rate of 2.87%.

On May 18, 2015, the REIT announced that its Board of Trustees had formed a special committee to explore strategic alternatives. The strategic process was completed on January 20, 2016 (see Part VII). The REIT incurred expenses totaling $613 and $1,316 for the three months and year ended December 31, 2015, respectively, related to this process.

The REIT declared monthly distributions throughout the year ended December 31, 2015. On August 12, 2015, the Board of Trustees approved an increase to the REIT's annualized distribution rate from $0.70 per unit to $0.76 per unit (from $0.0583 to $0.0633 on a monthly basis), representing an 8.6% increase in the annualized distribution rate. The increase was effective beginning with the distribution paid on October 15, 2015.

OBJECTIVES

The REIT's objectives are to:

- provide Unitholders with an opportunity to invest in a portfolio of institutional-quality industrial properties in U.S. markets, with a particular focus on distribution industrial real estate;
- provide Unitholders with predictable, sustainable and growing cash distributions on a tax-efficient basis. The REIT pays its cash distributions in U.S. dollars;
- enhance the value of the REIT's portfolio and maximize the long-term value of the REIT Units through the active management of the REIT's investment properties; and

- significantly expand the asset base of the REIT through strategic acquisitions of stabilized, high quality and well-located industrial properties located in U.S. markets.

STRATEGIC FOCUS AND OUTLOOK

The U.S. industrial real estate sector is comprised primarily of single-story properties located in or near major cities. Industrial properties typically house such activities as warehousing, distribution, storage and a number of other similar uses. Leases entered into with industrial tenants are frequently ''**triple-net**'', meaning that tenants are responsible for paying the majority of the costs associated with operating a property, including real estate taxes, insurance, common area maintenance and capital repairs. Management believes that tenant responsibility for such costs results in greater cash flow predictability and stability for the REIT relative to other segments of the U.S. real estate market.

The REIT is focused on owning and operating a portfolio of institutional-quality properties located in U.S. markets, primarily in the distribution sub-segment of the U.S. industrial market. Management believes that tenant demand for space in the distribution sub-segment is less volatile than demand in the overall industrial market as goods distributed through distribution facilities are frequently non-discretionary products characterized by relatively inelastic consumer demand. Inelasticity in consumer demand for these products gives rise to stability in tenants' operations which, in turn, results in more stable occupancies and rental incomes. In addition, the re-tenanting costs associated with distribution properties are often lower than the costs associated with properties within the overall industrial real estate market due to the generic nature of distribution properties, reducing the costs associated with leasing vacant and renewal space.

Management also believes that its primary focus on the distribution sub-segment provides: (i) exposure to the dynamic and growing U.S. economy; (ii) the opportunity to invest in a real estate segment with compelling relative fundamentals; and (iii) the opportunity to earn competitive risk-adjusted returns.

Geographically, the REIT's existing portfolio is primarily concentrated in the Midwestern and Southeastern regions of the U.S., providing the REIT's tenants with a predictable one or two day drive to the majority of the population of the continental U.S.

Over the long term, management believes that global demand for U.S. distribution space will continue to increase, driven by the following key trends:

- **Global Supply Chain Trends**. A physical manufacturing/distribution presence in the U.S. continues to be important for most large companies as a result of increasing labor costs and instability in foreign markets, trade routes and seaports. This macroeconomic and geopolitical landscape has forced companies to re-evaluate their supply chain networks, as shipping currently represents the largest single cost factor in the global supply chain. These critical supply chain considerations make the U.S. increasingly more attractive from a manufacturing, distribution and sourcing perspective.

- **World-Class U.S. Infrastructure**. The U.S. has a world-class supply chain infrastructure across all transportation sectors. Rail, seaports, highways and airports all provide for a robust distribution and logistics landscape, an important factor in attracting and retaining industrial tenants. In the long-term, the U.S. supply chain infrastructure's proximity to the substantially completed expansion of the Panama Canal is expected to result in growth and investment within the broader logistics universe impacting everything from shipping routes to freight rail infrastructure construction. Increasing shipping volumes experienced by U.S. seaports continue to create the need to distribute goods directly to inland ports and expands the utilization of intermodal hubs to alleviate distribution costs, creating additional opportunities in the U.S. industrial real estate market.

- **Positive Impact of the e-Commerce Industry**. The primary industries leading the demand for distribution space are food-and-beverage, e-commerce and traditional retailers. Approximately one-third of all demand for state-of-the-art distribution space remains tied to multi-channel e-commerce retailers. E-commerce supply chain design and distribution revolutionized the retail sector. Retailers utilizing multiple channels to sell their merchandise are finding it more cost-effective to increase online operations rather than open more traditional stores, resulting in continued demand for distribution space.

As a result of these trends, the U.S. industrial real estate market, and specifically the distribution sub-segment of the market, continues to experience a significant increase in both domestic and foreign capital investments. Low interest rates, positive economic indicators, and increasing demand for well-located, high quality and functional properties have created increasingly competitive investment opportunities for the REIT, particularly for recently constructed distribution properties.

To achieve its objectives, the REIT has executed a number of strategies aimed at enhancing Unitholder value through both organic and external growth. Management believes Unitholders will continue to benefit from the external manager's significant experience acquiring, managing and disposing of industrial properties. The external manager maintains an extensive network of relationships with brokers, tenants and institutional and private owners of industrial real estate in its key target geographic markets and leverages these relationships to enhance tenant retention and source accretive acquisitions of new industrial properties for the REIT.

Organic growth comes from capitalizing on increasing demand for distribution space and through a number of initiatives aimed at optimizing the performance, value and long-term cash flow of its investment property portfolio, including: (i) increasing rental rates; (ii) maintaining and increasing occupancy levels; (iii) capitalizing on expansion opportunities; (iv) leveraging continuity of management and strong tenant relationships; (v) continuing to implement active leasing programs; and (vi) maintaining cost management and property maintenance programs.

External growth comes from a disciplined approach to targeting the acquisition of state-of-the-art distribution properties in major U.S. distribution markets. The objective of the REIT's external growth initiatives is to continue expanding the REIT's portfolio in order to enhance geographic and tenant diversity, improve the sustainability of cash flow, and mitigate risks associated with concentrated exposure to any one geographic region. Management anticipates that such diversification will reduce the REIT's cost of capital, further facilitating growth and reducing borrowing costs.

When evaluating acquisition opportunities, the REIT considers the following criteria:

- Degree to which the acquisition will be accretive to AFFO per Unit over both the short-term and long-term.
- Whether the properties are located in close proximity to major transportation infrastructure and close to population centers with available and affordable labor.
- Whether the properties are situated within municipalities, counties, or states that provide economic incentives to tenants and/or landlords.
- Whether the properties are in strategic expansion markets for the REIT.
- Whether the properties are state-of-the-art, modern and functional with quality construction and infrastructure.
- Whether the acquisition cost will represent a discount to replacement cost.
- The creditworthiness of in-place tenants and whether in-place rents are below current market rents.
- Properties are also evaluated as to ceiling clear height, truck court depth, property dimensions, the locations and functionality of traffic flow for both trucks and automobiles, the number of docking doors and what type of docking equipment is being utilized, the number of trailer and automobile parking stalls, infrastructure relating to fire and life safety equipment, as well as power, lighting, and floor thickness.

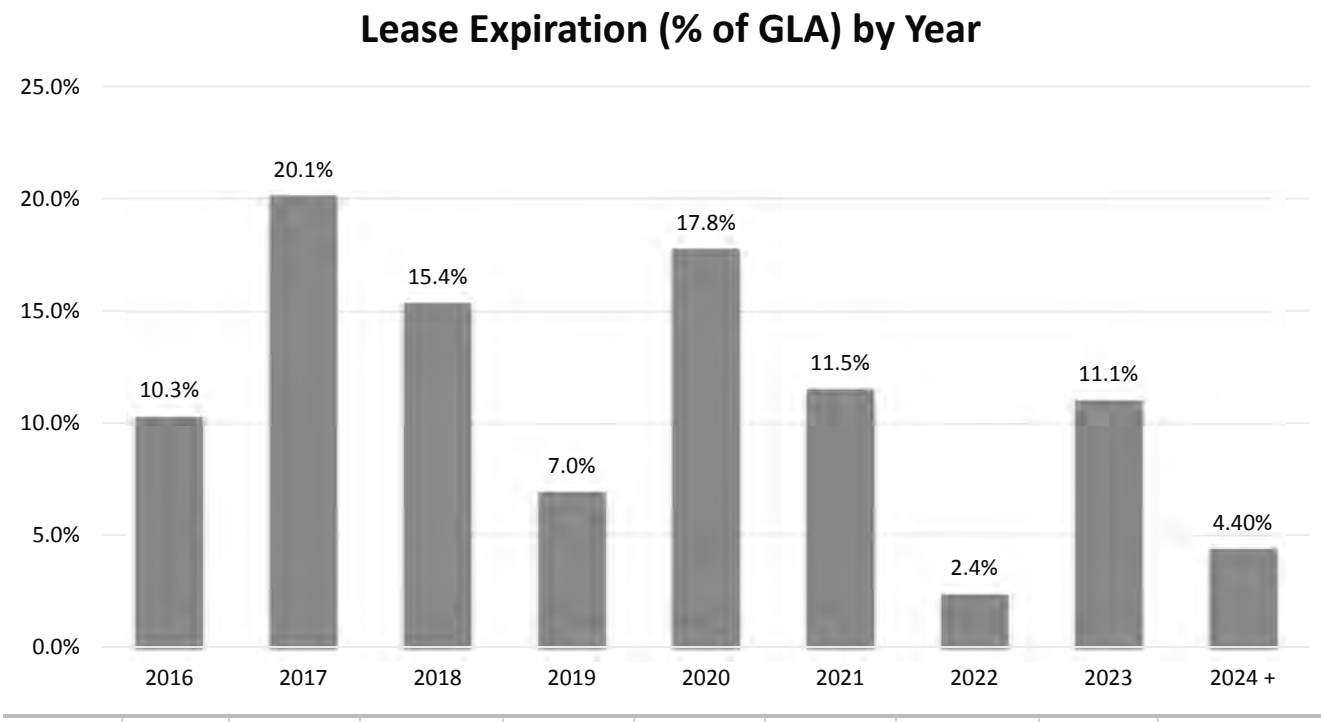
The criteria outlined above are designed to provide the REIT with the opportunity to acquire properties in strategic markets that will generate stable and growing cash flows and to meet the needs of tenants in the distribution subsector of the U.S. industrial real estate market. In addition, in the event of property vacancy, such properties provide the REIT with the ability to accommodate a multitude of uses and industries, thereby quickly and efficiently filling vacant space.

ASSETS

The REIT owns and operates an institutional-quality portfolio of primarily industrial investment properties located in the U.S., with a particular focus on distribution industrial real estate. As at December 31, 2015, the REIT owned a portfolio of 46 industrial and two office investment properties totaling 15,097,471 square feet of GLA with an occupancy rate across the portfolio of 98.6%.

The majority of the REIT's investment properties were constructed relatively recently, with a weighted average age of approximately 14 years. As a result, management believes that the REIT's investment properties will, on average, require less maintenance capital expenditures and be more attractive to prospective tenants than comparable older investment properties. Furthermore, the REIT's industrial investment properties are highly functional, with a weighted average ceiling clear height of approximately 31 feet. High ceiling clear heights are an important feature to many industrial tenants, as this provides tenants with additional vertical space which can house additional racking and equipment, allowing the tenant to maximize storage space.

Future lease expirations are shown in the graph below as at December 31, 2015:



Leases expiring	16	13	15	11	11	12	3	5	5

Occupancy roll-forward

The following table summarizes the change in occupancy (square feet in thousands) during the three months and year ended December 31, 2015:

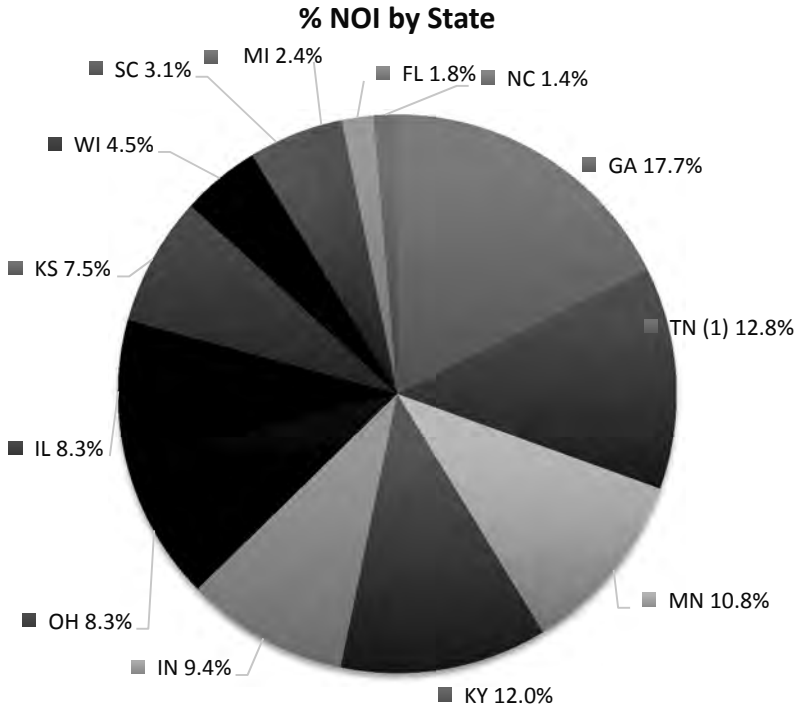
	Three Months Ended December 31, 2015 (sq. ft.)	Occupancy	Year Ended December 31, 2015 (sq. ft.)	Occupancy
Occupancy at beginning of period	14,812.2	98.1%	12,649.1	99.1%
Acquired properties occupancy	-		2,327.0	
Expansions	90.0		100.9	
New leases	73.1		73.0	
Renewals	-		231.9	
Expiries	-		(390.5)	
Early terminations	(90.0)		(106.1)	
Occupancy as at December 31, 2015	**14,885.3**	**98.6%**	**14,885.3**	**98.6%**

Per the preceding table, the REIT's renewal rate for leased square feet expiring in 2015 was 59.4%, which was mainly impacted by the non-renewal of one tenant. In 2015, the REIT also renewed leases totaling 1,346,057 square feet with lease commencement dates in future years.

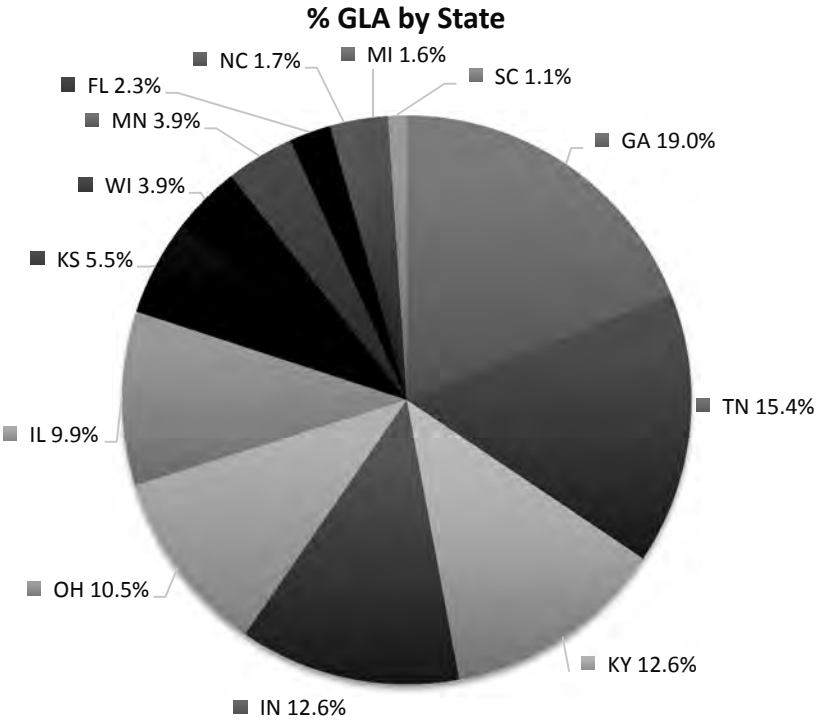
The REIT's investment properties are geographically diversified as follows (GLA in thousands) as at December 31, 2015:

State	Number of Investment Properties	Number of Tenants	Owned GLA (sq. ft.)	% of Owned GLA
Georgia	8	14	2,868.3	19.0%
Tennessee	6	11	2,327.0	15.4%
Kentucky	4	5	1,907.4	12.6%
Indiana	3	5	1,896.5	12.6%
Ohio	4	4	1,590.5	10.5%
Illinois	3	5	1,492.1	9.9%
Kansas	4	5	827.1	5.5%
Wisconsin	4	8	589.7	3.9%
Minnesota	6	20	586.4	3.9%
Florida	3	7	353.4	2.3%
North Carolina	1	1	252.5	1.7%
Michigan	1	2	248.0	1.6%
South Carolina	1	4	158.6	1.1%
Total	**48**	**91**	**15,097.5**	**100.0%**

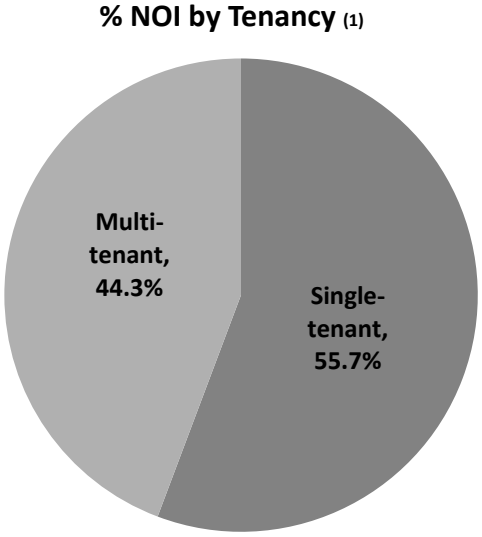
The following charts show the NOI by state for the year ended December 31, 2015 and GLA by state as at December 31, 2015 of the REIT's portfolio:

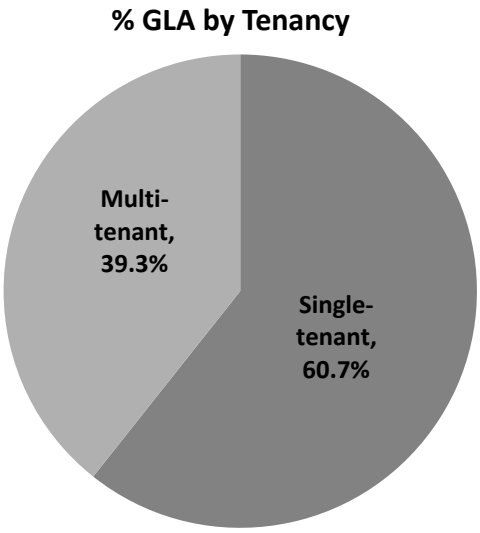


(1) Asssumes the acquisition of the Memphis Portfolio occurred on January 1, 2015.



The following charts show the breakout of the REIT's portfolio between single and multi-tenant investment properties based on percentage of NOI for the year ended December 31, 2015 and a percentage of GLA as at December 31, 2015:





(1) Asssumes the acquisition of the Memphis Portfolio occurred on January 1, 2015.

The following table highlights the top ten tenants by annualized contractual base rent and GLA occupied as at December 31, 2015:

Top 10 Tenants	% of Total Annualized Base Rent	GLA Occupied	% of Total Portfolio GLA
General Mills Operations, LLC	7.40%	1,512,552	10.02%
Unilever Home & Personal Care	6.22%	1,262,648	8.36%
Zulily Inc	4.04%	737,471	4.88%
Fullbeauty Brands, Inc.	3.87%	741,092	4.91%
Essendant Co (formerly United Stationers Supply Co)	3.78%	654,080	4.33%
CEVA Logistics U.S. Inc	3.48%	648,750	4.30%
Amazon.com	3.47%	572,000	3.79%
eBay Enterprise, Inc. (formerly GSI Commerce Solutions Inc)	3.42%	543,512	3.60%
Honeywell International Inc	3.30%	754,000	4.99%
KGP Logistics, Inc.	3.16%	311,100	2.06%
Total	42.14%	7,737,205	51.24%

SELECTED ANNUAL INFORMATION

The following table provides selected financial information for the years ended December 31, 2015 and 2014, and for the period from March 4, 2013 to December 31, 2013:

(in thousands of USD, except per Unit amounts)	Year Ended December 31, 2015	Year Ended December 31, 2014	March 3, 2013 to December 31, 2013
Investment properties revenue	$ 67,423	$ 57,351	$ 33,659
Net income and comprehensive income	21,560	2,246	27,632
Total assets	751,859	642,940	503,920
Non-current liabilities	521,780	488,604	342,427
Distributions per Unit **(1) (2)**	0.72	0.70	0.49
Distributions declared **(1) (2)**	24,285	19,353	11,233
REIT Units outstanding	18,523,119	14,210,619	10,732,200
Class B Units outstanding	15,225,314	15,225,314	13,059,709

(1) Excludes options and DTUs outstanding under the REIT's equity compensation plans.
(2) Includes distributions on REIT Units and Class B Units.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

(in thousands of USD, except per Unit amounts)

As at and for the quarter ended	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Operating Results:								
Investment properties revenue **(1)**	$ 15,769	$ 17,705	$ 17,563	$ 16,386	$ 15,431	$ 15,227	$ 13,846	$ 12,847
NOI **(1) (2)**	11,372	13,420	13,358	12,452	11,796	11,610	10,480	9,432
Net income (loss) and comprehensive income (loss)	(2,560)	33,999	3,860	(13,739)	(9,497)	18,285	(2,146)	(4,396)
FFO **(1) (2) (3)**	6,121	8,617	8,143	7,990	7,623	7,431	6,541	5,928
AFFO **(2) (4)**	7,423	7,361	7,156	6,697	6,363	6,234	5,155	4,816
FFO per Unit **(1) (2) (5) (6) (7)**	0.181	0.255	0.241	0.247	0.259	0.252	0.238	0.249
AFFO per Unit **(2) (5) (6)**	0.220	0.218	0.212	0.207	0.216	0.212	0.188	0.202
Distributions:								
Distributions per Unit **(6) (8)**	0.190	0.180	0.175	0.175	0.175	0.175	0.175	0.175
Distributions declared **(6) (8)**	6,408	6,071	5,903	5,903	5,148	5,148	4,896	4,161
AFFO payout ratio **(2) (8)**	86.3%	82.5%	82.5%	88.1%	80.9%	82.6%	95.0%	86.4%
Weighted average number of Units **(5) (6)**	33,748,433	33,748,433	33,748,433	32,406,766	29,435,733	29,435,714	27,441,017	23,791,909

As at	December 31, 2015	December 31, 2014
Operational Information:		
Number of investment properties	48	42
GLA	15,097,471	12,770,313
Occupancy	98.6%	99.1%
Average remaining lease term (years)	3.9	4.6
Fair value of investment properties	$ 742,592	$ 633,056
Ratios:		
Weighted average effective interest rate **(9)**	3.8%	3.9%
Variable interest rate debt as percentage of total debt **(10)**	12.9%	17.7%
Debt-to-gross book value **(2)**	48.6%	50.8%
Interest coverage ratio **(1) (2)**	3.2x	3.3x
Fixed charge coverage ratio **(1) (2)**	2.8x	2.8x
Debt to EBITDA **(1) (2) (11)**	8.1x	7.6x

(1) During the quarter ended December 31, 2015, the REIT determined that straight-line rent was overstated and that the offsetting fair value adjustment to investment properties was understated by $305, $259, $235, $145, $206, $296, $142, $22, $24, and $18 for the three months ended September 30, 2015, June 30, 2015,March 31, 2015, December 31, 2014, September 30, 2014, June 30, 2014, March 31, 2014, December 31, 2013, September 30, 2013, and the period from March 4, 2013 to June 30, 2013, respectively. The three months ended December 31, 2015 includes the cumulative non-recurring adjustment of $1,652, which reduced investment properties revenue, NOI, EBITDA, and FFO with an offsetting adjustment to fair value of investment properties. The preceding adjustment is a non-cash item and has no impact on AFFO. The following table illustrates the investment properties revenue, NOI, FFO and FFO per Unit of the REIT had the cumulative non-recurring adjustment been recorded retroactively to the applicable reporting periods:

As at and for the quarter ended	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Investment properties revenue	$ 17,422	$ 17,400	$ 17,304	$ 16,151	$ 15,286	$ 15,021	$ 13,550	$ 12,705
NOI	13,024	13,115	13,099	12,217	11,651	11,404	10,184	9,290
FFO	7,774	8,312	7,884	7,755	7,478	7,225	6,245	5,786
FFO per Unit	0.230	0.246	0.234	0.239	0.254	0.245	0.228	0.243

(2) NOI, FFO, AFFO, FFO per Unit, AFFO per Unit, AFFO payout ratio, EBITDA, debt-to-gross book value, interest coverage ratio, fixed charge coverage ratio and debt to EBITDA are key measures of performance used by real estate operating companies, however, they are not defined by IFRS, do not have standard meanings and may not be comparable with other industries or trusts. This data should be read in conjunction with the "Non-IFRS Measures" section of this MD&A.

(3) Reconciliations of FFO to net income (loss) can be found on page 18 for the three months and year ended December 31, 2015 and 2014. Refer to the REIT's respective interim MD&As issued for a reconciliation of FFO to net income (loss) relating to all other periods.

(4) Reconciliations of AFFO to FFO can be found on page 18 for the three months and year ended December 31, 2015 and 2014. Refer to the REIT's respective interim MD&As issued for a reconciliation of AFFO to FFO relating to all other periods.

(5) Includes REIT Units and Class B Units (collectively, the "**Units**").

(6) Excludes options and DTUs outstanding under the REIT's equity compensation plans.

(7) Excluding strategic process expenses and the cumulative non-recurring adjustment to straight-line rent (see footnote 1 above), FFO per Unit (basic) would have been $0.248, $0.263 and $0.255 for the three months ended December 31, 2015, September 30, 2015 and June 30, 2015, respectively.

(8) Includes distributions on REIT Units and Class B Units.

(9) Includes mortgages payable, the Revolving Facility, mark-to-market adjustments and financing costs.

(10) Includes amounts outstanding under the Revolving Facility.

(11) Excluding strategic process expenses and the cumulative non-recurring adjustment to straight-line rent (see footnote 1 above), Debt to EBITDA would have been 7.6x as at December 31, 2015.

RESULTS OF OPERATIONS

The following tables compare results for the three months and year ended December 31, 2015 and 2014. The principal reasons for the variances between the financial figures presented in such year-over-year periods are the Memphis Portfolio, which was acquired on February 20, 2015, and differences resulting from owning the Kentucky Property, Atlanta Property, Louisville Property and OIA Property (the "**2014 Acquisitions**") for the full period in 2015 as compared to a partial period in 2014. See below in the "Variance Explanation" tables for the impact of the REIT's acquisition of these properties:

	Three months ended December 31,			Year ended December 31,		
	2015	2014	Variance	2015	2014	Variance
Investment properties revenue	$ 15,769	$ 15,431	$ 338	$ 67,423	$ 57,351	$ 10,072
Investment properties operating expenses	1,882	1,586	296	15,201	13,669	1,532
Fair value adjustment to investment properties – IFRIC 21	2,515	2,049	466	1,620	364	1,256
Net operating income (1)	11,372	11,796	(424)	50,602	43,318	7,284
Other (income) and expenses						
General and administrative	2,069	1,238	831	6,668	4,098	2,570
Fair value adjustment to investment properties	(2,692)	529	(3,221)	(17,418)	(16,044)	(1,374)
Finance costs	14,555	19,526	(4,971)	39,792	53,018	(13,226)
Net income (loss) and comprehensive income (loss)	$ (2,560)	$ (9,497)	$ 6,937	$ 21,560	$ 2,246	$ 19,314

(1) Non-IFRS measure. See "Non-IFRS Measures" section of this MD&A.

Investment properties revenue

Investment properties revenue includes contractual base rent to be received from operating leases recognized on a straight-line basis over the term of its respective lease, recoveries of operating expenses, including property taxes, common area maintenance, lease termination fees and other incidental income. Investment properties revenue was higher by $338 for the three months ended December 31, 2015 for the following reasons:

Variance Explanation	Three months ended December 31, 2015
Due to the Memphis Portfolio.	$ 2,353
Increase in average occupancy, base rent, and higher recoveries of operating expenses at the investment properties acquired from Welsh at IPO (as defined herein) (the "**Initial Properties**").	172
Decrease in non-cash straight-line rent, including a non-recurring $1,652 adjustment (see *straight-line rent* section below).	(2,029)
Change in amortization of tenant incentives.	(87)
Other.	(71)
Total variance	$ 338

Investment properties revenue was higher by $10,072 for the year ended December 31, 2015 for the following reasons:

Variance Explanation		Year ended December 31, 2015
Due to the Memphis Portfolio.	$	7,899
Difference resulting from owning the 2014 Acquisitions for the entire current year as compared to a partial period in 2014.		3,515
Increase in average occupancy, base rent, and higher recoveries of operating expenses mainly at the Initial Properties.		771
Decrease in non-cash straight-line rent, including a non-recurring $1,652 adjustment (see *straight-line rent* section below).		(1,765)
Change in amortization of tenant incentives.		(348)
Total variance	$	10,072

Straight-line rent

The REIT determined that straight-line rent was overstated and that the offsetting fair value adjustment to investment properties was understated by $1,652 for the period from March 4, 2013 to September 30, 2015. The three months ended December 31, 2015 includes the cumulative non-recurring adjustment of $1,652, which reduced investment properties revenue, NOI, EBITDA, and FFO with an offsetting adjustment to fair value of investment properties. The preceding adjustment is a non-cash item and has no impact on AFFO.

Investment properties operating expenses

Investment properties operating expenses consist primarily of property common area and maintenance expenses, real estate taxes (including adjustments for property taxes accounted for under IFRIC 21), insurance, property management fees and other costs associated with the management and maintenance of the investment properties. Investment properties expenses were higher by $296 for the three months ended December 31, 2015 for the following reasons:

Variance Explanation		Three months ended December 31, 2015
Due to the Memphis Portfolio.	$	687
Higher recoverable expenses mainly at the Initial Properties.		75
Adjustments for property taxes accounted for under IFRIC 21.		(466)
Total variance	$	296

Investment properties expenses were higher by $1,532 for the year ended December 31, 2015 for the following reasons:

Variance Explanation		Year ended December 31, 2015
Due to the Memphis Portfolio.	$	2,298
Difference resulting from owning the 2014 Acquisitions for the entire current year as compared to a partial period in 2014.		532
Adjustments for property taxes accounted for under IFRIC 21.		(1,256)
Other.		(42)
Total variance	$	1,532

Net operating income

Net operating income was lower by $424 for the three months ended December 31, 2015 for the following reasons:

Variance Explanation		Three months ended December 31, 2015
Due to the Memphis Portfolio.	$	1,666
Increase in average occupancy, base rent, and higher recoveries of operating expenses at the Initial Properties.		172
Decrease in non-cash straight-line rent, including a non-recurring $1,652 adjustment.		(2,029)
Change in amortization of tenant incentives.		(87)
Higher recoverable expenses mainly at the Initial Properties.		(75)
Other.		(71)
Total variance	$	(424)

Net operating income was higher by $7,284 for the year ended December 31, 2015 for the following reasons:

Variance Explanation		Year ended December 31, 2015
Due to the Memphis Portfolio.	$	5,601
Difference resulting from owning the 2014 Acquisitions for the entire current year as compared to a partial period in 2014.		2,983
Increase in average occupancy, base rent, and higher recoveries of operating expenses mainly at the Initial Properties.		771
Decrease in non-cash straight-line rent, including a non-recurring $1,652 adjustment.		(1,765)
Change in amortization of tenant incentives.		(348)
Other.		42
Total variance	$	7,284

General and administrative expense

General and administrative expenses consist of asset management fees, professional fees, deferred compensation expense, trustee fees, and other miscellaneous expenses. General and administrative expenses were higher by $831 for the three months ended December 31, 2015 for the following reasons:

Variance Explanation		Three months ended December 31, 2015
Strategic process expenses.	$	613
Deferred compensation expense, of which $34 is due to an increase in fair value of units outstanding under the DUIP and the Plan.		106
Additional asset management fees as a result of the Memphis Portfolio.		60
Other.		52
Total variance	$	831

General and administrative expenses were higher by $2,570 for the year ended December 31, 2015 the following reasons:

Variance Explanation		Year ended December 31, 2015
Strategic process expenses.	$	1,316
Deferred compensation expense, of which $384 is due to an increase in fair value of units outstanding under the DUIP and the Plan.		740
Higher legal fees, taxes and other professional fees.		216
Additional asset management fees as a result of the Memphis Portfolio.		186
Difference in asset management fees due to owning the 2014 Acquisitions for the entire current year as compared to a partial period in 2014.		112
Total variance	$	2,570

Fair value adjustment to investment properties

The REIT has selected the fair value method of accounting to account for real estate classified as investment properties. As a result, subsequent to initial recognition, investment properties are carried at fair value, with gains and losses arising from changes in fair value recognized in the consolidated statements of net income (loss) and comprehensive income (loss) during the year in which they arise. For the three months ended December 31, 2015 and 2014, the REIT recognized a fair value increase (decrease) to investment properties of $2,692 and ($529), respectively. For the years ended December 31, 2015 and 2014, the REIT recognized a fair value increase in investment properties of $17,418 and $16,044, respectively. The fair value adjustments are mainly due to cap rate compression in certain markets, lease renewals and increased occupancy at certain properties, partially offset by the write-off of capitalized tenant incentives and amortization of straight-line rent. Please refer to the "Investment Properties" section of this MD&A for further discussion on the REIT's fair value of investment properties.

Finance Costs

Finance costs include interest expense on mortgages payable and the Revolving Facility, distributions on Class B Units, the gain or loss on the change in fair value of financial liabilities designated as fair value through profit and loss, including Class B Units and other financial instruments, amortization associated with the mark-to-market adjustments and financing costs incurred in connection with obtaining long-term financings. Finance costs were lower by $4,971 for the three months ended December 31, 2015 for the following reasons:

Variance Explanation		Three months ended December 31, 2015
Fair value adjustment to Class B Units and financial instruments.	$	(5,480)
Interest expense on mortgage payable related to the Memphis Portfolio.		373
Difference in distributions on Class B Units due to the increase in the annualized distribution rate from $0.70 per unit to $0.76 per unit.		228
Lower Revolving Facility interest and other.		(92)
Total variance	$	(4,971)

Finance costs were lower by $13,226 for the year ended December 31, 2015 for the following reasons:

Variance Explanation		Year ended December 31, 2015
Fair value adjustment to Class B Units and financial instruments.	$	(15,912)
Interest expense on mortgage payable related to the Memphis Portfolio.		1,272
Interest expense on mortgages payable due to owning the Atlanta Property and Louisville Property for the entire current year as compared to a partial period in 2014.		753
Difference in distributions on Class B Units due to (i) owning the Louisville Property for the entire current year as compared to a partial period in 2014, and (ii) an increase in the annualized distribution rate from $0.70 per unit to $0.76 per unit.		936
Amortization of finance costs mainly due to the early repayment of a mortgage during the year ended December 31, 2014.		(133)
Lower Revolving Facility interest and other.		(142)
Total variance	$	(13,226)

Reconciliation of Non-IFRS Measures

The reconciliation of non-IFRS measures to net income (loss) and comprehensive income (loss) for the three months and year ended December 31, 2015 and 2014 are presented below:

	Three months ended December 31,			Year ended December 31,		
	2015	2014	Variance	2015	2014	Variance
Investment properties revenue (1)	$ 15,769	$ 15,431	$ 338	$ 67,423	$ 57,351	$ 10,072
Investment properties operating expenses	1,882	1,586	296	15,201	13,669	1,532
Fair value adjustment to investment properties – IFRIC 21	2,515	2,049	466	1,620	364	1,256
Net operating income (1)	**11,372**	**11,796**	**(424)**	**50,602**	**43,318**	**7,284**
Other (income) and expenses						
General and administrative (2)	2,069	1,238	831	6,668	4,098	2,570
EBITDA (1) (2)	9,303	10,558	(1,255)	43,934	39,220	4,714
Fair value adjustment to investment properties (1)	(2,692)	529	(3,221)	(17,418)	(16,044)	(1,374)
Finance costs	14,555	19,526	(4,971)	39,792	53,018	(13,226)
Net income (loss) and comprehensive income (loss) (2)	**$ (2,560)**	**$ (9,497)**	**$ 6,937**	**$ 21,560**	**$ 2,246**	**$ 19,314**
Add/(Deduct):						
Fair value adjustment to investment properties (1)	(2,692)	529	(3,221)	(17,418)	(16,044)	(1,374)
Fair value adjustments on Class B Units and financial instruments	8,221	13,701	(5,480)	15,225	31,137	(15,912)
Fair value adjustment to deferred compensation	261	227	34	548	164	384
Fair value adjustment to investment properties – IFRIC 21	2,515	2,049	466	1,620	364	1,256
Property taxes accounted for under IFRIC 21	(2,515)	(2,049)	(466)	(1,620)	(364)	(1,256)
Distributions on Class B Units treated as interest expense	2,891	2,663	228	10,956	10,020	936
FFO (1) (2)	**$ 6,121**	**$ 7,623**	**$ (1,502)**	**$ 30,871**	**$ 27,523**	**$ 3,348**
Add/(Deduct):						
Leasing cost reserve (3)	(939)	(716)	(223)	(3,604)	(2,670)	(934)
Capital expenditure reserve (4)	(243)	(223)	(20)	(952)	(860)	(92)
Amortization of mark-to-market adjustments	(172)	(170)	(2)	(683)	(778)	95
Amortization of financing costs	168	162	6	665	798	(133)
Deferred compensation expense	320	248	72	1,292	936	356
Strategic process expenses (2)	613	-	613	1,316	-	1,316
Amortization of straight-line rent (1)	1,413	(616)	2,029	(754)	(2,519)	1,765
Amortization of tenant incentives	142	55	87	486	138	348
AFFO	**$ 7,423**	**$ 6,363**	**$ 1,060**	**$ 28,637**	**$ 22,568**	**$ 6,069**
FFO per Unit (basic) (1) (2) (5)	$ 0.181	$ 0.259	$ (0.078)	$ 0.924	$ 1.000	$ (0.076)
AFFO per Unit (basic)	$ 0.220	$ 0.216	$ 0.004	$ 0.857	$ 0.820	$ 0.037

(1) The REIT determined that straight-line rent was overstated and that the offsetting fair value adjustment to investment properties was understated by $1,652 for the period from March 4, 2013 to September 30, 2015. The three months ended December 31, 2015 includes

the cumulative non-recurring adjustment of $1,652, which reduced investment properties revenue, NOI, EBITDA, and FFO with an offsetting adjustment to fair value of investment properties. The preceding adjustment is a non-cash item and has no impact on AFFO.

(2) Includes strategic process expenses of $613 and $1,316 for the three months and year ended December 31, 2015, respectively.

(3) The leasing cost reserve is a weighted average rate of approximately $0.25 per square foot per annum and $0.22 per square foot per annum as at December 31, 2015 and 2014, respectively, based on a five-year forward looking average of expected leasing commissions and tenant improvements on the portfolio.

(4) The capital expenditure reserve is a weighted average rate of approximately $0.06 per square foot per annum and $0.07 per square foot per annum as at December 31, 2015 and 2014, respectively, based on the five-year forward looking average of expected capital expenditures on the portfolio.

(5) Excluding strategic process expenses and the cumulative non-recurring adjustment to straight-line rent (see footnote 1 above), FFO per Unit (basic) would have been $0.248 and $1.012 for the three months and year ended December 31, 2015, respectively.

FFO

For the three months ended December 31, 2015, FFO was lower by $1,502 for the following reasons:

Variance Explanation		Three months ended December 31, 2015
Due to the Memphis Portfolio.	$	1,125
Increase in average occupancy, base rent, and higher recoveries of operating expenses at the Initial Properties.		172
Decrease in non-cash straight-line rent, including a non-recurring $1,652 adjustment.		(2,029)
Change in amortization of tenant incentives.		(87)
Strategic process expenses.		(613)
Higher recoverable expenses mainly at the Initial Properties.		(75)
Other.		5
Total variance	$	(1,502)

For the year ended December 31, 2015, FFO was higher by $3,348 for the following reasons:

Variance Explanation		Year ended December 31, 2015
Due to the Memphis Portfolio.	$	3,763
Difference resulting from owning the 2014 Acquisitions for the entire current year as compared to a partial period in 2014.		2,237
Increase in average occupancy, base rent, and higher recoveries of operating expenses mainly at the Initial Properties.		771
Decrease in non-cash straight-line rent, including a non-recurring $1,652 adjustment.		(1,765)
Change in amortization of tenant incentives.		(348)
Strategic process expenses.		(1,316)
Other.		6
Total variance	$	3,348

AFFO

For the three months ended December 31, 2015, AFFO was higher by $1,060 for the following reasons:

Variance Explanation		Three months ended December 31, 2015
Due to the Memphis Portfolio.	$	908
Increase in average occupancy, base rent, and higher recoveries of operating expenses at the Initial Properties.		172
Higher recoverable expenses mainly at the Initial Properties.		(75)
Other.		55
Total variance	$	1,060

For the year ended December 31, 2015, AFFO was higher by $6,069 for the following reasons:

Variance Explanation		Year ended December 31, 2015
Due to the Memphis Portfolio.	$	3,022
Difference resulting from owning the 2014 Acquisitions for the entire current year as compared to a partial period in 2014.		2,084
Increase in average occupancy, base rent, and higher recoveries of operating expenses mainly at the Initial Properties.		771
Other.		192
Total variance	$	6,069

FFO and AFFO per Unit amounts

The basic weighted average number of Units used to calculate FFO and AFFO per Unit include the weighted average number of all outstanding REIT Units and Class B Units, which amounted to 33,748,433 Units and 29,435,733 Units for the three months ended December 31, 2015 and 2014, respectively. The weighted average number of all outstanding REIT Units and Class B Units amounted to 33,429,426 and 27,537,258 for the years ended December 31, 2015 and 2014, respectively. The increase in the weighted average number of units outstanding is mainly due to the January 2015 Offering of 4,312,500 Units, the April 2014 Offering of 3,478,200 Units, and 2,165,605 Class B Units issued in connection with the acquisition of the Louisville Property.

For the three months and year ended December 31, 2015, FFO per Unit was lower by $0.078 and $0.076, respectively, as compared to the three months and year ended December 31, 2014. The decrease in FFO per Unit is mainly due to (i) the non-recurring $1,652 adjustment related to straight-line rent recorded during the three months ended December 31, 2015, (ii) strategic process expenses of $613 and $1,316 for the three months and year ended December 31, 2015, respectively, and (iii) an increase in the weighted average number of units outstanding. These decreases were partially offset by (i) the Memphis Portfolio, (ii) increased performance of the Initial Properties, and (iii) owning the 2014 Acquisitions for the entire current year as compared to a partial period in 2014 (only applicable for the year-over-year variance).

For the three months and year ended December 31, 2015, AFFO per Unit was higher by $0.004 and $0.037, respectively, as compared to the three months and year ended December 31, 2014. The increase in AFFO per Unit is mainly due to (i) the Memphis Portfolio, (ii) increased performance of the Initial Properties, and (iii) owning the 2014 Acquisitions for the entire current year as compared to a partial period in 2014 (only applicable for the year-over-year variance). These increases were partially offset by an increase in the weighted average number of units outstanding.

Distribution Policy

The REIT's Declaration of Trust provides the Board of Trustees with the authority to determine the percentage amount of the REIT's income to be distributed. Amounts retained in excess of the declared distributions are primarily used to fund leasing costs and capital expenditure requirements. Fluctuations in working capital that are deemed to be timing differences are disregarded in determining distributions. The REIT also normalizes the impact of leasing costs, which fluctuate with lease maturities, renewal terms and the type of investment property being leased, and excludes the impact of transaction costs expensed on business combinations.

The REIT's AFFO payout ratio for the three months ended December, 2015 and 2014 was 86.3% and 80.9%, respectively. The increased AFFO payout ratio was mainly due to an increase in the REITs annualized distribution rate from $0.70 per unit to $0.76 per unit effective with the distribution paid on October 15, 2015, which was partially offset by (i) the Memphis Portfolio and (ii) increased performance of the Initial Properties. The REIT's AFFO payout ratio for the year ended December 31, 2015 and 2014 was 84.8% and 85.7%, respectively. The decreased AFFO payout ratio was mainly due to an increase in AFFO due to (i) the Memphis Portfolio, (ii) increased performance of the Initial Properties, and (iii) owning the 2014 Acquisitions for the full period in 2015 as compared to a partial period in 2014. These decreases were partially offset by an increase to the REIT's annualized distribution rate from $0.70 per unit to $0.76 per unit effective with the distribution paid on October 15, 2015.

Same properties NOI

The same properties disclosed in the following table are investment properties acquired prior to January 1, 2014.

	Three months ended December 31,		Variance		Year ended December 31,		Variance	
	2015	2014	($)	(%)	2015	2014	($)	(%)
Net operating income (1)	$ 11,372	$ 11,796	$ (424)	(3.6%)	$ 50,602	$ 43,318	$ 7,284	16.8%
Amortization of straight-line rent	1,423	(499)	1,922	(385.2%)	(460)	(2,166)	1,706	(78.8%)
Amortization of tenant incentives	142	55	87	158.2%	486	138	348	252.2%
Acquisitions	(3,733)	(2,271)	(1,462)	64.4%	(13,879)	(5,354)	(8,525)	159.2%
Same properties NOI (1) (2)	$ 9,204	$ 9,081	$ 123	1.4%	$ 36,749	$ 35,936	$ 813	2.3%
Average occupancy (same properties)	97.6%	98.6%	-	(1.0%)	98.1%	97.1%	-	1.0%

(1) Non-IFRS measure. See "Non-IFRS Measures" section of this MD&A.

(2) Same properties NOI excludes the amortization of straight-line rent and amortization of lease incentives.

Same properties NOI for the fourth quarter of 2015 increased by $123, or 1.4%, when compared to the same quarter in 2014. For the year ended December 31, 2015, same properties NOI increased by $813, or 2.3%, when compared to the same period last year. The growth in same properties NOI was mainly due to increases in contractual base rent, higher recoveries of operating expenses, and an increase in average occupancy for the year.

Same properties NOI prior quarter comparison

The same properties disclosed in the following table are investment properties acquired prior to July 1, 2015.

	Three months ended December 31, 2015	September 30, 2015	Variance ($)	Variance (%)
Net operating income (1)	$ 11,372	$ 13,420	$ (2,048)	(15.3%)
Amortization of straight-line rent	1,413	(809)	2,222	(274.7%)
Amortization of tenant incentives	142	109	33	30.3%
Same properties NOI (1) (2)	$ 12,927	$ 12,720	$ 207	1.6%
Average occupancy (same properties)	98.5%	98.7%	-	(0.2%)

(1) Non-IFRS measure. See "Non-IFRS Measures" section of this MD&A.

(2) Same properties NOI excludes the amortization of straight-line rent and amortization of lease incentives.

Same properties NOI for the fourth quarter of 2015 increased by $206, or 1.6% when compared to the third quarter of 2015, mainly due to increases in contractual base rent and the expiration of free rent periods, offset by a decrease in average occupancy.

LIQUIDITY AND CAPITAL RESOURCES

The REIT's primary sources of capital are cash generated from operations, its Revolving Facility, mortgages payable financing and refinancing and equity and debt issuances. The REIT's primary uses of capital include the payment of distributions, costs of attracting and retaining tenants, recurring investment property maintenance, major investment property improvements, mortgages payable principal repayments, interest payments and investment property acquisitions. The REIT expects to meet all of its ongoing obligations with current cash generated from operations, draws on its Revolving Facility and, as growth requires and when appropriate, new equity or debt issuances. The Declaration of Trust provides that the REIT cannot incur or assume any indebtedness that would cause total indebtedness levels to exceed 60% of gross book value (or 65% of gross book value including convertible debentures). Management of the REIT targets an indebtedness level around 55% of gross book value. As at December 31, 2015 and 2014, the REIT's

debt-to-gross book value ratio was 48.6% and 50.8% (total outstanding principal balance of mortgages payable and the Revolving Facility of $360,795 and $321,359 as at December 31, 2015 and 2014, respectively, divided by a gross book value of $742,592 and $633,056 as at December 31, 2015 and 2014, respectively). The REIT's debt to EBITDA ratio was 8.1 times and 7.6 times as at December 31, 2015 and 2014, respectively. Excluding strategic process expenses and the cumulative non-recurring adjustment to straight-line rent, Debt to EBITDA would have been 7.6x as at December 31, 2015. The REIT has no convertible debentures outstanding and has never issued any.

The REIT uses cash flow from operations and debt level indicators to assess its ability to meet its financing obligations. For the year ended December 31, 2015, the REIT's interest coverage ratio was 3.2 times (excluding adjustments for property taxes accounted for under IFRIC 21), and its fixed charge coverage ratio was 2.8 times (excluding adjustments for property taxes accounted for under IFRIC 21), demonstrating an ability to more than adequately cover the REIT's financing obligations. The REIT's weighted average effective interest rate on all indebtedness as at December 31, 2015 and 2014 was 3.8% and 3.9%, respectively.

The following table details the changes in cash and cash equivalents during the periods presented:

	Year ended December 31,	
	2015	**2014**
Cash provided by/(used in):		
Operating activities	$ 45,049	$ 37,247
Financing activities	45,635	61,694
Investing activities	(90,354)	(99,341)
Increase (decrease) in cash and cash equivalents during the period	**330**	**(400)**
Cash and cash equivalents, beginning of period	5,526	5,926
Cash and cash equivalents, end of period	$ **5,856**	$ **5,526**

Cash flows from operating activities for the years ended December 31, 2015 and 2014 of $45,049 and $37,247, respectively, primarily related to the operation of investment properties.

In accordance with National Policy 41-201 - *Income Trusts and Other Indirect Offerings*, the REIT is required to provide the following additional disclosure relating to cash distributions:

	Three months ended December 31,		Year ended December 31,	
	2015	**2014**	**2015**	**2014**
Cash flows provided by operating activities	$ **9,642**	$ **9,492**	$ **45,049**	$ **37,247**
Less: Interest paid (excluding distributions on Class B Units classified as finance costs incurred)	(3,262)	(3,152)	(13,562)	(11,635)
	6,380	6,340	31,487	25,612
Distributions paid (1)	(6,408)	(5,148)	(23,865)	(19,024)
Excess (deficit) of cash flows provided by operating activities over distributions paid	**(28)**	**1,192**	**7,622**	**6,588**
Cash flows provided by operating activities	**9,642**	**9,492**	**45,049**	**37,247**
Change in non-cash working capital	1,797	980	457	692
Less: Interest expense (2)	(3,447)	(3,170)	(13,629)	(11,841)
Less: Leasing cost reserve and capital expenditure reserve	(1,182)	(939)	(4,556)	(3,530)
Plus: Strategic process expenses	613	-	1,316	-
AFFO (3)	$ **7,423**	$ **6,363**	$ **28,637**	$ **22,568**
Distributions declared (1)	$ 6,408	$ 5,148	$ 24,285	$ 19,353
AFFO payout ratio (3)	86.3%	80.9%	84.8%	85.7%

(1) Includes distributions on REIT Units and distributions on Class B Units.
(2) Includes interest on mortgages payable, Revolving Facility interest, and Class B Unit issuance costs included in finance costs.
(3) Management considers AFFO and AFFO payout ratio to be key measures of the REIT's performance. As an alternative measure of cash flows from operations, AFFO (defined on page 1) represents a measure of cash generated from operating activities, after deducting a reserve for normalized maintenance capital expenditures, tenant inducements and leasing commissions, and is considered to be indicative of the REIT's ability to pay distributions to unitholders. However, AFFO and AFFO payout ratio are not defined by IFRS, do not have standardized meanings, and may not be comparable to similarly titled measures presented by other industries or trusts.

While cash flows from operating activities are generally sufficient to cover distribution requirements, the timing of expenses and fluctuations in non-cash working capital may result in a temporary shortfall. In these cases, some portion of distributions may come from the REIT's own capital, or financing sources other than cash flow from operations.

Cash flows provided by financing activities for the years ended December 31, 2015 and 2014 of $45,635 and $61,694, respectively, primarily related to net proceeds from the issuance of REIT Units and the exercise of the underwriters' over-allotment, proceeds from mortgages payable, and proceeds from the Revolving Facility, partially offset by the repayment of mortgages payable and the Revolving Facility, the payment of financing costs, and interest expense on mortgages payable and the Revolving Facility as well as distributions to Unitholders.

Cash flows used in investing activities for the years ended December 31, 2015 and 2014 of $90,354 and $99,341, respectively, primarily related to cash paid for acquisitions of investment properties, additions to investment properties, and changes in capital escrow amounts required to be held in connection with certain mortgages payable.

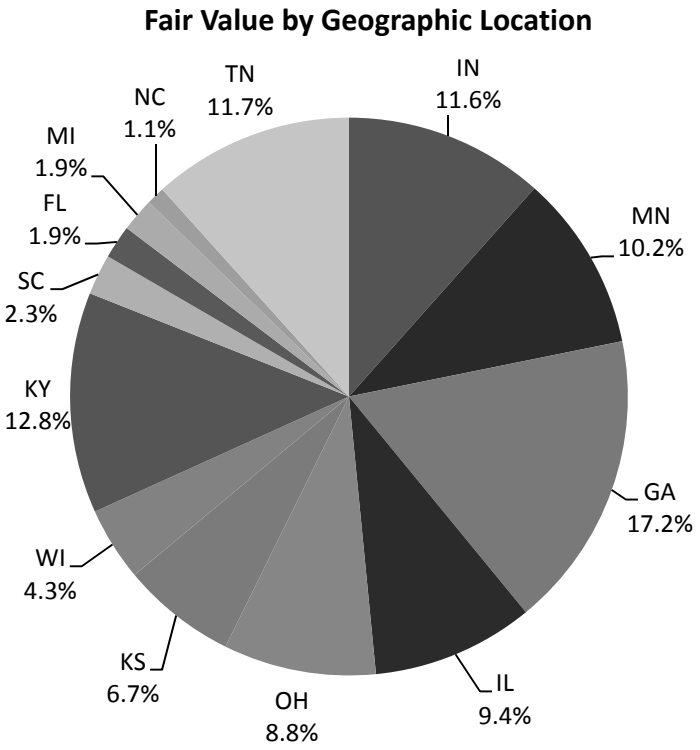
Investment Properties

Investment properties include the current fair value of the land, building, improvements to the investment property and all direct leasing costs incurred in obtaining and retaining property tenants. Management reviews the fair value of the investment properties regularly using independent property valuations and market conditions existing at the reporting date, which are generally accepted market practices. Judgment is also applied in determining the extent and frequency of independent third party appraisals. The REIT determines the fair value of an investment property at the end of each reporting period using a combination of the following methods: (i) an internal valuation using the discounted cash flow model, which discounts the expected future cash flows, including a terminal value, based on the application of a terminal capitalization rate to the assumed final year's estimated cash flows, and reviewing the key assumptions from previous and current appraisals and updating the value for changes in the property cash flow, physical condition and changes in market conditions, and (ii) appraisals by an independent third party, according to professional appraisal standards and IFRS.

Management retained an independent third party appraiser to appraise each investment property contained within the portfolio at the time of the initial public offering ("**IPO**"), and has obtained independent third party appraisals with respect to each investment property subsequently acquired, except for those investment properties in respect of which the requirement to obtain an appraisal was waived by the independent trustees of the Board of Trustees. Additionally, the REIT, as part of management's regular review of the investment properties fair value, obtained independent third party appraisals for 14 and 12 existing properties in the portfolio during the third quarter of 2015 and 2014, respectively.

As at December 31, 2015, the fair value of investment properties was $742,592 ($633,056 as at December 31, 2014), implying a weighted average terminal capitalization rate of 7.06% (7.07% as at December 31, 2014).

		December 31, 2015
State		**Fair Value**
Georgia	$	128,100
Kentucky		95,100
Tennessee		86,667
Indiana		86,000
Minnesota		76,000
Illinois		69,800
Ohio		65,700
Kansas		49,335
Wisconsin		31,750
South Carolina		17,425
Florida		14,415
Michigan		14,400
North Carolina		7,900
Total	$	**742,592**



Mortgages Payable and Revolving Facility

Mortgages Payable

The REIT's debt strategy includes obtaining secured mortgage financing with a term to maturity that is appropriate in relation to the lease maturity profile of its portfolio.

Mortgages payable consist of the following:

	December 31, 2015	December 31, 2014
Mortgages payable	$ 314,095	$ 264,459
Mark-to-market adjustments, net	2,695	3,378
Financing costs, net	(1,315)	(1,158)
Carrying value	315,475	266,679
Less current portion	(23,161)	(2,113)
Non-current mortgages payable	**$ 292,314**	**$ 264,566**

As at December 31, 2015, approximately 33.7% of the REIT's outstanding mortgages payable were payable to a single financial institution, of which 14.6% matures in 2021 and 19.1% matures in 2023.

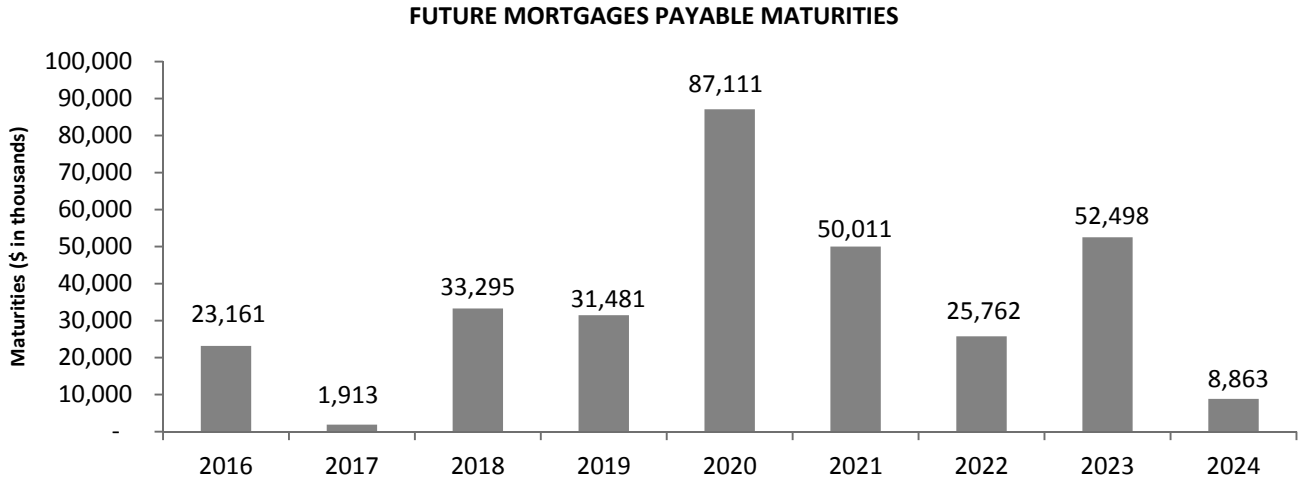
As at December 31, 2015, mortgages payable bear interest at various rates ranging from 2.87% to 5.80% (3.40% to 5.80% as at December 31, 2014), and have a weighted average effective interest rate of 3.98% (4.21% as at December 31, 2014), with maturity dates ranging from 2016 - 2024. The weighted average term to maturity on mortgages payable was 4.9 years and 6.1 years as at December 31, 2015 and 2014, respectively. As at December 31, 2015, there were no mortgages payable with variable interest rates.

During the year ended December 31, 2015, the REIT entered into a new, five-year fixed interest rate mortgage payable totaling $51,750, bearing a fixed interest rate of 2.87%, as a result of the Memphis Portfolio acquisition.

The weighted average maturing effective interest rates, scheduled mortgage repayments, principal mortgage maturities, and scheduled interest payments are as follows as at December 31, 2015:

	Weighted Average Maturing Effective Interest Rates	Scheduled Mortgage Repayments	Principal Mortgage Maturities	Total Principal Repayments	Scheduled Interest Payments	Total Debt Service Repayments
2016	5.8%	$ 2,182	$ 20,979	$ 23,161	$ 12,443	$ 35,604
2017	-	1,913	-	1,913	11,112	13,025
2018	4.5%	2,976	30,319	33,295	10,549	43,844
2019	3.4%	3,156	28,325	31,481	8,866	40,347
2020	3.1%	3,561	83,550	87,111	6,844	93,955
2021	5.1%	3,319	46,692	50,011	5,108	55,119
2022	3.8%	2,228	23,534	25,762	2,835	28,597
2023	3.7%	416	52,082	52,498	680	53,178
2024	4.0%	186	8,677	8,863	265	9,128
Totals		$ 19,937	$ 294,158	$ 314,095	$ 58,702	$ 372,797
Mark-to-market adjustment, net				2,695		
Financing costs, net				(1,315)		
Total				$ 315,475		

The following chart shows the future maturities of mortgages payable as at December 31, 2015:



Revolving Facility

On April 26, 2013, the REIT entered into the Revolving Facility with a maximum commitment of $75,000, and availability determined subject to compliance with a number of borrowing base tests. The Revolving Facility has an initial term of three years from April 26, 2013 and provides the REIT the right to a one-year extension option that includes an accordion feature which could increase the size of the facility to $200,000, subject to lender approval. The REIT is currently in negotiations to extend the Revolving Facility. The interest rate on the Revolving Facility is, at the REIT's option, based on either a base rate or LIBOR, in each case plus an applicable margin based on leverage. The base rate is equal to the greater of: (a) the "prime rate" plus 1.0%, (b) 0.5% above the federal funds effective rate, or (c) 30-day LIBOR plus the applicable margin. As at December 31, 2015 and 2014, the Revolving Facility interest rate was 2.68% and 2.67%, respectively.

Availability on the Revolving Facility was $75,000 as at December 31, 2015, of which the REIT had drawn $46,700, leaving remaining availability of $28,300.

Variable interest rate debt as a percentage of total debt was 12.9% and 17.7% as at December 31, 2015 and 2014, respectively.

Commitments and Contingencies

Leasing Cost Reserve

The REIT uses management's best estimate of leasing costs on expected lease maturities within the portfolio to calculate the leasing cost reserve used in the REIT's AFFO calculation (see "Reconciliation of Non-IFRS Measures" section of this MD&A). Management currently estimates leasing costs to be approximately $0.25 per square foot per annum of the portfolio GLA based on a forward-looking five-year period. The leasing cost reserve per square foot will change from time to time as the REIT purchases and disposes of investment properties and as the forward-looking five-year period is updated.

The following table shows actual leasing costs as compared to reserved leasing costs since IPO:

Leasing Costs		Period from March 4, 2013 to December 31, 2013	Year ended December 31, 2014	Year ended December 31, 2015	Since IPO
Reserved	$	1,641	2,670	3,604	7,915
Actual	$	701	1,322	3,506	5,529
Excess	$	940	1,348	98	2,386

Capital Expenditure Reserve

The REIT's policy is to engage third party consultants to provide building condition assessment reports ("**BCA Reports**") on each property acquired for the purpose of assessing and documenting the existing condition of each investment property and major investment property operating components and systems. The REIT then uses this information to calculate a five-year weighted average capital expenditure per square foot, which is used in the REIT's AFFO calculation (see "Reconciliation of Non-IFRS Measures" section of this MD&A). Management currently estimates recurring maintenance capital expenditures to be approximately $0.06 per square foot per annum of the portfolio GLA based on a forward-looking five-year period. The capital expenditure reserve per square foot will change from time to time as the REIT purchases and disposes of investment properties and as the forward-looking five-year period is updated.

The following table shows actual capital expenditures as compared to reserved capital expenditures since IPO:

Capital Expenditures	Period from March 4, 2013 to December 31, 2013	Year ended December 31, 2014	Year ended December 31, 2015	Since IPO
Reserved	$ 558	860	952	2,370
Actual	$ 372	323	152	847
Excess	$ 186	537	800	1,523

Other Commitments and Contingencies

The REIT has a contingent obligation to expand the GLA at one of its investment properties at the option of the tenant. Management estimates the cost associated with this expansion, should it occur, to be approximately $1,000. The expansion is conditional on mutual agreement between the tenant and the REIT with regard to the base rental rates to be charged for occupying such expansion space. This contingent obligation will terminate at expiration of the underlying lease, inclusive of renewal options, on November 30, 2032.

The REIT has no off-balance sheet items.

EQUITY

The REIT's Declaration of Trust authorizes the issuance of an unlimited number of REIT Units. REIT Units are ordinary units of the REIT, each of which represents a unitholders' proportionate undivided beneficial interest and voting rights in the REIT.

Class B Units, which are economically equivalent to REIT Units, are entitled to distributions per unit in an amount equal to the distributions per unit declared in respect of the REIT Units, and are redeemable by the holder thereof for cash or REIT Units (on a one-for-one basis, subject to customary anti-dilution adjustments), as determined by the general partner of the Partnership in its sole discretion. Class B Units are puttable and, therefore, meet the definition of a financial liability under International Accounting Standard ("**IAS**") 32, *Financial Instruments – Presentation,* and are accordingly classified as non-current liabilities in the consolidated statements of financial position.

As at December 31, 2015, Welsh held 15,225,314 Class B Units and 752,700 REIT Units, representing an effective ownership interest in the REIT of approximately 47.3% assuming all Class B Units are redeemed for REIT Units (excluding options and DTUs outstanding under the REIT's equity compensation plans).

As at December 31, 2015, ownership of the REIT was as follows:

	REIT Units	Class B Units	Total Units	% of Total
Welsh's retained interest	752,700	15,225,314	15,978,014	47.3%
REIT Units	17,770,419	-	17,770,419	52.7%
Total	**18,523,119**	**15,225,314**	**33,748,433**	**100.0%**

Unit Option Plan

On April 26, 2013, the REIT authorized a unit option plan (the "**Plan**"), under the terms of which options to purchase REIT Units may from time to time, be granted to trustees, officers, employees and consultants, exercisable for a maximum period of 10 years from the date of grant. The maximum number of REIT Units reserved for issuance under the Plan is 10% of the total number of REIT Units issued and outstanding from time to time. These options vest as to one-third on the first anniversary of the grant date, and one-third on each of the second and third anniversaries.

A summary of options granted under the Plan is set forth below:

	Number of options	Weighted average exercise price
Outstanding, December 31, 2013	390,000	$ 10.14
Grant - May 27, 2014	200,000	9.81
Exercised	(3,333)	10.14
Forfeited or expired	(16,667)	10.14
Outstanding, December 31, 2014	570,000	$ 10.02
Exercisable, December 31, 2014	123,333	$ 10.14
Forfeited or expired	(13,333)	10.14
Outstanding, December 31, 2015	556,667	$ 10.02
Exercisable, December 31, 2015	304,445	$ 10.07

During the year ended December 31, 2015, there were no options exercised. During the year ended December 31, 2014, there was a non-cash exercise of 3,333 options, resulting in the issuance of 219 REIT Units.

The total fair value of options granted as at December 31, 2015 and 2014 and as at the grant date was $726, $355 and $327, respectively. The aggregate intrinsic value of exercisable options as at December 31, 2015 and 2014 was $573 and $114, respectively. The weighted average remaining contractual life for outstanding options and for exercisable options as at December 31, 2015 was 7.8 years and 7.6 years, respectively.

Under IFRS, liabilities related to deferred compensation under the Plan are measured at fair value as at the grant date and are remeasured at each reporting date. The fair value changes are recorded within general and administrative expense in the statements of net income (loss) and comprehensive income (loss). Total compensation expense attributable to these options for the three months ended December 31, 2015 and 2014, was $175 and $154, respectively. Total compensation expense attributable to these options for the years ended December 31, 2015 and 2014, was $425 and $157, respectively. These amounts include adjustments based on the fair value of the options as at December 31, 2015 and 2014.

As at December 31, 2015, fair value adjustments were determined using the Black-Scholes option pricing model with the following assumptions:

Expected option term	5.0 years
Risk-free interest rate	1.76%
Expected volatility	19.11%
Dividend yield	6.36%

Deferred Unit Incentive Plan

On April 26, 2013, the REIT authorized a Deferred Unit Incentive Plan ("**DUIP**") that provides for the granting of deferred trust units ("**DTUs**") to trustees, officers, employees, consultants and service providers, as well as employees of such service providers. DTUs are defined as notional units with a fair value based on the REIT Units' closing price per the TSX. The maximum number of REIT Units reserved for issuance under the DUIP is 5% of the total number of REIT Units issued and outstanding from time to time. Vested DTUs may be redeemed in whole or in part for units of the REIT issued from treasury or cash. All DTUs granted to officers and employees vest as to one-fifth on the first anniversary of the grant date, and one-fifth on each of the four following anniversaries. Whenever cash distributions are paid to REIT unitholders, additional DTUs are credited to the participant's outstanding DTU balance based on the 5-day volume-weighted average price on the grant date. These additional units vest on the same schedule as their corresponding DTUs.

Officer and Employee Grants

A summary of DTUs granted to officers of the REIT and employees of the external manager under the DUIP is set forth below:

	DTUs Granted
Total as at December 31, 2013	52,462
May 27, 2014 grant	65,000
DTUs granted through distributions	6,566
Total as at December 31, 2014	**124,028**
DTUs granted through distributions	7,845
Forfeited DTUs	(4,432)
Total as at December 31, 2015	**127,441**

Additional DTUs of $1,250 had been approved, of which $362 have been recorded as a deferred compensation liability as at December 31, 2015, but are not yet granted.

The total fair value of DTUs granted to officers and employees as at December 31, 2015 and 2014 was $1,523 and $1,358, respectively. As at December 31, 2015 and 2014, a total of 38,356 and 11,273 DTUs granted to officers and employees had vested, respectively.

Trustee and Other Grants

All members of the Board of Trustees have elected to receive their annual retainers and meeting fees for the current fiscal year and since inception in the form of DTUs. Annually, the REIT matches 50% of all annual trustee compensation received in DTUs, which vest as to one-third on the first anniversary date of the grant and one-third on each of the second and third anniversaries. Distributions on DTUs accrue to the holder in additional REIT Units on each distribution date.

A summary of DTUs granted to trustees under the DUIP is set forth below:

	DTUs Granted
Total as at December 31, 2013	10,732
DTUs granted for services rendered	37,802
DTUs granted through distributions and 50% match	13,394
Total as at December 31, 2014	**61,928**
DTUs granted through distributions and 50% match	3,917
Total as at December 31, 2015	**65,845**

Additional DTUs of $668 had been approved, of which $508 have been recorded as a deferred compensation liability as at December 31, 2015, but are not yet granted.

The total fair value of DTUs granted to trustees as at December 31, 2015 and 2014 was $768 and $624, respectively. As at December 31, 2015 and 2014, a total of 57,714 and 50,456 DTUs granted to trustees had vested, respectively.

Under IFRS, liabilities related to deferred compensation under the DUIP are measured at fair value as at the grant date and are remeasured at each reporting date. The fair value changes are recorded within general and administrative expense in the statements of net income (loss) and comprehensive income (loss). Total compensation expense recognized for the three months ended December 31, 2015 and 2014 was $406 and $321, respectively, related to these instruments. Total compensation expense recognized for the years ended December 31, 2015 and 2014 was $1,415 and $943, respectively, related to these instruments. These amounts include adjustments based on the fair value of the REIT Units as at December 31, 2015 and 2014.

PART III

DISCLOSURE AND INTERNAL CONTROLS

Disclosure Controls and Procedures

Management is responsible for establishing and maintaining a system of disclosure controls and procedures to provide reasonable assurance that (i) all material information relating to the REIT, including its consolidated subsidiaries, is made known to them by others within those entities, particularly during the period in which the filings are being prepared, and (ii) material information required to be disclosed in the filings or other reports filed or submitted by the REIT under securities legislation is recorded, processed, summarized and reported on a timely basis and within the time period specified by securities legislation.

The REIT's Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, the REIT's disclosure controls and procedures as defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"). As required by NI 52-109, the REIT's Chief Executive Officer and Chief Financial Officer have evaluated, or caused to be evaluated under their direct supervision, the effectiveness of the REIT's disclosure controls and procedures, and concluded that they are effective as at December 31, 2015.

Internal Controls over Financial Reporting

Management is also responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The REIT's Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, the REIT's internal controls over financial reporting. As required by NI 52-109, and using the criteria established by the Committee of Sponsoring Organization of the Treadway Commission ("**COSO 2013**"), the Chief Executive Officer and Chief Financial Officer have evaluated, or caused to be evaluated under their direct supervision, the effectiveness of the REIT's internal controls over financial reporting and concluded that they are effective and that there were no material weaknesses that have been identified as at December 31, 2015.

Changes in Disclosure and Internal Controls

To the best of the knowledge and belief of the REIT's Chief Executive Officer and Chief Financial Officer, no significant changes were made in the REIT's disclosure controls and procedures or internal controls over financial reporting during the year ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, the REIT's disclosure controls and procedures or internal controls over financial reporting.

Inherent Limitation

Disclosure controls and procedures and internal controls over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of their inherent limitations. Disclosure controls and procedures and internal controls over financial reporting are processes that involve human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human errors. Disclosure controls and procedures and internal controls over financial reporting also can be circumvented by collusions or improper management override. Because of such limitations, there is risk that material misstatements may not be prevented or detected on a timely basis by disclosure controls and procedures and internal controls over financial reporting. However, these inherent limitations are known features of the disclosure and financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

PART IV

RISK FACTORS

The REIT faces a variety of significant and diverse risks, many of which are inherent in the business conducted by the REIT, the Partnership and the tenants of the properties. The Annual Information Form dated March 30, 2016 contains a detailed summary of risk factors pertaining to the REIT and its business. There have been no changes to the nature or the number of risk factors pertaining to the REIT since the date of the Annual Information Form. The disclosures in this MD&A are subject to the risk factors outlined in the Annual Information Form.

RELATED PARTY TRANSACTIONS

Related party transactions with Welsh for the years ended December 31, 2015 and 2014 are set forth below:

	2015	2014
Acquisitions		
Kentucky Property acquisition	$ -	$ 13,300
Louisville Property acquisition	$ -	$ 45,396
Fees earned under asset management agreement (1)		
Acquisition fees	$ 867	$ 703
Asset management fees	$ 1,719	$ 1,421
Construction management fees	$ 127	$ 191
Fees earned under property management agreement (2)	$ 1,676	$ 1,374
Other		
Class B Unit distributions paid (3)	$ 10,880	$ 9,893
REIT Unit distributions paid (4)	$ 538	$ 351
Class B Units issued	-	2,165,605
REIT Units issued (4)	-	752,700
Office rent (5)	$ 1,073	$ 1,052

(1) On April 26, 2013, the REIT entered into an asset management agreement with Welsh, under which Welsh provides certain asset management services to the REIT and its subsidiaries. The asset management agreement provides for the following fees:

- Asset management fees at 0.25% of gross book value, as defined in the asset management agreement. Asset management fees payable to Welsh as at December 31, 2015 and 2014 were $144 and $126, respectively.

- Acquisition fee. An acquisition fee equal to: (i) 1.0% of the purchase price paid for the first $100,000 of investment properties acquired by the REIT or any of its affiliates in each fiscal year; (ii) 0.75% of the purchase price paid for the next $100,000 of investment properties acquired by the REIT or any of its affiliates in each fiscal year; and (iii) 0.50% of the purchase price paid in excess of $200,000 for investment properties acquired by the REIT or any of its affiliates in each fiscal year.

- Construction management fee. With respect to any capital project with costs in excess of $100 undertaken by the REIT or any of its affiliates, a construction management fee equal to 5.0% of aggregate tenant improvements, capital expenditures and construction costs incurred in respect of such capital project. Construction management fees payable to Welsh as at December 31, 2015 and 2014 were $51 and $71, respectively.

(2) On April 26, 2013, the Partnership and the REIT entered into a property management agreement with Welsh. Under the property management agreement, Welsh is the property manager of the investment properties owned by the REIT and administers the day-to-day operations of the REIT's portfolio of investment properties. Property management fees are described below for all investment properties owned by the REIT.

- 2% of the gross property revenue for all single-tenant industrial investment properties;

- 3% of the gross property revenue for all multi-tenant industrial investment properties; and

- 4% of the gross property revenue for all office investment properties.

(3) As at December 31, 2015 and 2014, there were 15,225,314 Class B Units held by Welsh. Distributions payable to Welsh on Class B Units as at December 31, 2015 and 2014 were $964 and $888, respectively.

(4) As part of the April 2014 Offering, Welsh purchased $7,000 of the REIT Units being offered, or 752,700 REIT Units, at the offering price of $9.30 per REIT Unit. Distributions payable to Welsh on these REIT Units as at December 31, 2015 and 2014 were $48 and $44, respectively.

(5) An affiliate of Welsh leases space from a subsidiary of the REIT at an investment property located at 4350 Baker Road, Minnetonka, Minnesota. The lease commenced on June 1, 2008 and expires on May 31, 2020, with annual rent increases of 2%.

Out-of-pocket costs and expenses
The REIT reimburses Welsh for all reasonable actual out-of-pocket costs and expenses incurred in connection with the performance of the services described in the asset management agreement or such other services that the REIT and Welsh agree in writing are to be provided from time to time by Welsh. As at December 31, 2015 and 2014, the net payable due to Welsh was $21 and $87, respectively, related to these reimbursements.

PART VI

SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies, including significant judgments and critical accounting estimates made by management of the REIT, is described in note 2 of the REIT's audited consolidated financial statements for the year ended December 31, 2015.

PART VII

SUBSEQUENT EVENTS

On January 11, 2016, Welsh redeemed 6,600,000 Class B Units in exchange for ownership and control over 6,600,000 REIT Units.

On January 19, 2016, Welsh redeemed 1,902,619 Class B Units in exchange for ownership and control over 1,902,619 REIT Units.

On January 20, 2016, Alberta Investment Management Corporation and affiliates ("**AIMCo**"), on behalf of certain of its clients, purchased 4,783,122 REIT Units from Welsh, resulting in an approximate 19.9% ownership of the issued and outstanding REIT Units at the time of the purchase and approximately 15.9% ownership assuming all remaining Class B Units are redeemed for REIT Units, but otherwise on a non-diluted basis. Welsh, as a result of the sale, now directly and indirectly owns and controls approximately 16.5% of the issued and outstanding REIT Units and approximately 33.2% assuming all remaining Class B Units are redeemed for REIT Units (excluding options and DTUs outstanding under the REIT's equity compensation plans).

Subject to certain conditions, including the non-renewal of the REIT's existing Unitholder Rights Plan Agreement at its next annual meeting of unitholders, AIMCo's effective interest in the REIT may be increased up to approximately 29% (assuming all Class B Units are redeemed for Units but otherwise on a non-diluted basis) by Welsh selling up to 4,468,085 additional REIT Units to AIMCo on or before August 31, 2016.

On January 20, 2016, WPT Capital Advisors, LLC ("**WPT Capital**"), a new entity, became the successor in interest to Welsh as asset manager under the first amendment to the asset management agreement and agreed to perform all of the duties and obligations as the asset manager of the REIT. Welsh and WPT Capital also entered into a sub-property management agreement dated January 20, 2016 pursuant to which Welsh sub-contracted with WPT Capital to perform certain of its

obligations as the REIT's external property manager under the existing property management agreement. The REIT also amended and restated the non-competition and non-solicitation agreement on January 20, 2016. Under this amended and restated agreement, WPT Capital is permitted to establish private investment funds that it will control and/or manage, but is otherwise subject to non-competition and non-solicitation arrangements with the REIT, as described therein.

Consolidated Financial Statements
(In U.S. dollars)

WPT INDUSTRIAL REAL ESTATE INVESTMENT TRUST

For the years ended December 31, 2015 and 2014

INDEPENDENT AUDITORS' REPORT

To the Unitholders of WPT Industrial Real Estate Investment Trust

We have audited the accompanying consolidated financial statements of WPT Industrial Real Estate Investment Trust, which comprise the consolidated statements of financial position as at December 31, 2015 and 2014, the consolidated statements of net income and comprehensive income, changes in unitholders' equity and cash flows for the years ended December 31, 2015 and 2014, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of WPT Industrial Real Estate Investment Trust as at December 31, 2015 and 2014, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2015 and 2014 in accordance with International Financial Reporting Standards.

Chartered Professional Accountants, Licensed Public Accountants

March 23, 2016

Toronto, Canada

WPT INDUSTRIAL REAL ESTATE INVESTMENT TRUST

Consolidated Statements of Financial Position
(In thousands of U.S. dollars)

	December 31, 2015	December 31, 2014
Assets		
Non-current assets:		
Investment properties (note 5)	$ 742,592	$ 633,056
Other non-current assets	186	1,156
	742,778	634,212
Current assets:		
Amounts receivable (note 6)	1,396	1,295
Prepaid expenses	591	982
Restricted cash	1,238	925
Cash and cash equivalents	5,856	5,526
	9,081	8,728
Total assets	$ 751,859	$ 642,940
Liabilities and Unitholders' Equity		
Non-current liabilities:		
Mortgages payable (note 9)	$ 292,314	$ 264,566
Revolving Facility (note 10)	46,600	56,497
Class B Units (note 11)	181,942	166,717
Security deposits	924	824
	521,780	488,604
Current liabilities:		
Mortgages payable (note 9)	23,161	2,113
Amounts payable and accrued liabilities (note 7)	12,316	10,341
Distributions payable (note 12)	1,172	828
	36,649	13,282
Total liabilities	558,429	501,886
Total unitholders' equity	193,430	141,054
Commitments and contingencies (note 16)		
Subsequent events (note 21)		
Total liabilities and unitholders' equity	$ 751,859	$ 642,940

See accompanying notes to consolidated financial statements.

WPT INDUSTRIAL REAL ESTATE INVESTMENT TRUST

Consolidated Statements of Net Income and Comprehensive Income
(In thousands of U.S. dollars)

	Year ended December 31,	
	2015	2014
Investment properties:		
Investment properties revenue	$ 67,423	$ 57,351
Investment properties operating expenses	15,201	13,669
Net investment property income	52,222	43,682
Other expenses and (income):		
General and administrative	6,668	4,098
Fair value adjustment to investment properties	(17,418)	(16,044)
Fair value adjustment to investment properties – IFRIC 21	1,620	364
Finance costs (note 14):		
Fair value adjustment on Class B Units and financial instruments	15,225	31,137
Distributions on Class B Units	10,956	10,020
Other finance costs	13,611	11,861
Total finance costs	39,792	53,018
Net income and comprehensive income	$ 21,560	$ 2,246

See accompanying notes to consolidated financial statements.

WPT INDUSTRIAL REAL ESTATE INVESTMENT TRUST

Consolidated Statements of Changes in Unitholders' Equity
(In thousands of U.S. dollars)

	REIT Units	Trust Equity	Distributions	Accumulated Income	Unitholders' Equity
Balance, December 31, 2013 (note 12)	10,732,200	$ 95,163	$ (5,281)	$ 27,632	$ 117,514
REIT Units issued, net of issue costs	3,478,200	30,624	-	-	30,624
REIT Units issued due to exercise of stock options	219	3	-	-	3
Net income and comprehensive income	-	-	-	2,246	2,246
Distributions declared	-	-	(9,333)	-	(9,333)
Balance, December 31, 2014 (note 12)	14,210,619	$ 125,790	$ (14,614)	$ 29,878	$ 141,054
REIT Units issued, net of issue costs	4,312,500	44,145	-	-	44,145
Net income and comprehensive income	-	-	-	21,560	21,560
Distributions declared	-	-	(13,329)	-	(13,329)
Balance, December 31, 2015 (note 12)	18,523,119	$ 169,935	$ (27,943)	$ 51,438	$ 193,430

See accompanying notes to consolidated financial statements.

WPT INDUSTRIAL REAL ESTATE INVESTMENT TRUST

Consolidated Statements of Cash Flows
(In thousands of U.S. dollars)

	Year ended December 31, 2015	2014
Cash flows from operating activities:		
Net income	$ 21,560	$ 2,246
Finance costs (note 14)	39,792	53,018
Non-cash items:		
Amortization of straight-line rent	(754)	(2,519)
Property tax liability under IFRIC 21	(1,620)	(364)
Fair value adjustment to investment properties – IFRIC 21	1,620	364
Fair value adjustment to investment properties	(17,418)	(16,044)
Deferred compensation expense	1,292	936
Fair value adjustment on deferred compensation	548	164
Amortization of lease incentives	486	138
Change in non-cash working capital (note 20)	(457)	(692)
Cash flows provided by operating activities	45,049	37,247
Cash flows from financing activities:		
Repayment of mortgages payable	(2,114)	(48,243)
Proceeds from mortgages payable	51,750	96,040
Repayment of Revolving Facility	(47,200)	(16,100)
Proceeds from Revolving Facility	37,000	29,000
Proceeds from repayment of note receivable	-	2,113
Financing costs incurred	(519)	(1,081)
Proceeds from issuance of REIT Units, net of issue costs (note 12)	44,145	30,624
Distributions paid	(12,985)	(9,131)
Interest paid	(24,442)	(21,528)
Cash flows provided by financing activities	45,635	61,694
Cash flows from investing activities:		
Acquisition of investment properties (note 4)	(87,887)	(98,669)
Additions to investment properties, including lease incentives	(3,437)	(1,787)
Change in capital escrows	970	1,115
Cash flows (used in) investing activities	(90,354)	(99,341)
Increase (decrease) in cash and cash equivalents	330	(400)
Cash and cash equivalents, beginning of period	5,526	5,926
Cash and cash equivalents, end of period	$ 5,856	$ 5,526

See accompanying notes to consolidated financial statements.

WPT Industrial Real Estate Investment Trust (the "REIT") is an unincorporated, open-ended real estate investment trust established pursuant to a Declaration of Trust dated March 4, 2013, under the laws of the Province of Ontario as amended and restated on April 26, 2013.

The REIT was formed for the purpose of acquiring and owning primarily industrial investment properties, located in the United States, with a particular focus on warehouse and distribution investment properties.

The REIT's Units are listed and publicly traded in Canada on the Toronto Stock Exchange ("TSX"), in U.S. dollars, under the symbol "WIR.U", and in the U.S. on the OTCQX marketplace under the symbol "WPTIF". The registered office of the REIT is at 333 Bay Street, Suite 3400, Toronto, Ontario.

As at December 31, 2015, the REIT owned a portfolio of investment properties comprised of 46 industrial investment properties and two office investment properties, located in 13 states in the U.S.

1. Basis of Presentation:

(a) Statement of compliance:

The consolidated financial statements of the REIT have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were approved by the board of trustees of the REIT (the “Board of Trustees”) on March 23, 2016.

(b) Basis of measurement:

The consolidated financial statements have been prepared on a historical cost basis except for investment properties, derivative financial instruments and Class B Units (“Class B Units”) which have been measured at fair value. The consolidated financial statements are presented in U.S. dollars, which is the REIT's functional currency, and all amounts have been rounded to the nearest thousands, except when otherwise indicated.

(c) Basis of consolidation:

The consolidated financial statements comprise the financial statements of the REIT and its subsidiaries. Subsidiaries are entities controlled by the REIT. The financial statements of the subsidiaries are prepared for the same reporting periods as the REIT using consistent accounting policies. All intercompany balances, transactions and unrealized gains and losses arising from intercompany transactions are eliminated on consolidation.

2. Significant Accounting Policies:

(a) Business combinations:

Business combinations are accounted for under the acquisition method of accounting. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value as at the acquisition date. Goodwill, if any, is the excess of the cost of acquisition over the fair value of the REIT's share of the identifiable net assets acquired. If the cost of acquisition is less than the fair value of the REIT's share of the net assets acquired, the difference is recognized immediately in the consolidated

statements of net income and comprehensive income. Transaction costs incurred in connection with business combinations are expensed as incurred.

(b) Investment properties:

Investment properties are initially recorded at cost, including related transaction costs in the case of asset acquisitions, and includes primarily industrial investment properties held to earn rental revenue and/or for capital appreciation. The REIT has selected the fair value method of accounting to account for real estate classified as investment properties. As a result, subsequent to initial recognition, investment properties are carried at fair value, with gains and losses arising from changes in fair value recognized in the consolidated statements of net income and comprehensive income during the year in which they arise.

Investment properties include land, buildings, improvements to investment properties and all direct leasing costs incurred in obtaining and retaining property tenants. Lease incentives that do not provide benefits beyond the initial lease term are amortized as a reduction to investment properties revenue on a straight-line basis over the term of the lease.

Capital expenditures, including tenant improvements, are added to the carrying value of the investment properties only when it is probable that future economic benefits will flow to the investment property and cost can be measured reliably. Repairs and maintenance expenditures are expensed when incurred.

Investment properties are derecognized when they have been disposed of or permanently withdrawn from use and no future economic benefit is expected from their disposal. Prior to their disposal, the carrying values of the investment properties are adjusted to reflect their fair values. This adjustment is recorded as a fair value gain or loss. Any remaining gain or loss arising on derecognition of the investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statements of net income and comprehensive income for the year in which the investment property is derecognized.

(c) Fair value measurement:

The REIT measures financial instruments, such as derivatives, and non-financial assets, such as real estate investment properties, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market

conditions. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the REIT.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their economic best interests. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The REIT uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the REIT determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the REIT has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(d) Cash, cash equivalents and restricted cash:

Cash and cash equivalents include all short-term investments with an original maturity of three months or less and excludes cash subject to restrictions that prevent its use for current purposes. Restricted cash represents amounts required to be held in escrow by various mortgages payable, related to insurance, real estate taxes and capital expenditures. These items are included in either other non-current assets or restricted cash depending on their required holding period.

(e) Revenue recognition:

The REIT accounts for tenant leases as operating leases given that it has retained substantially all of the risks and benefits of ownership of its investment properties.

Revenue from investment properties includes base rents that each tenant pays in accordance with the terms of its respective lease, recoveries of operating expenses, including property taxes, common area maintenance, lease termination fees and other incidental income. Revenue recognition under a lease commences when the tenant has the right to use the investment property.

The total amount of contractual rent to be received from operating leases is recognized on a straight-line basis over the term of the lease, resulting in an accrual recording the cumulative difference between the rental revenue as recorded on a straight-line basis and rents received from tenants in accordance with their respective lease terms. This accrual is presented as a straight-line rent receivable and forms a component of investment properties.

Recoveries of operating expenses from tenants are recognized as revenue in accordance with the terms of the underlying leases, which is generally in the year in which the corresponding costs are incurred. Other revenue is recorded at the time the service is provided.

An allowance for doubtful accounts is maintained for estimated losses resulting from the inability of tenants to meet the contractual obligations under their lease agreements. Such

allowances are reviewed periodically based on the recovery experience of the REIT and the creditworthiness of the tenants.

(f) Financial instruments:

(i) Designation of financial instruments:

The following summarizes the REIT's classification and measurement of financial assets and financial liabilities:

Financial assets and liabilities	Classification	Measurement
Cash and cash equivalents	Loans and receivables	Amortized cost
Amounts receivable (rent and other receivables)	Loans and receivables	Amortized cost
Restricted cash	Loans and receivables	Amortized cost
Capital escrows	Other assets	Amortized cost
Mortgages payable	Other liabilities	Amortized cost
Class B Units	FVTPL	Fair value
Revolving Facility	Other liabilities	Amortized cost
Security deposits	Other liabilities	Amortized cost
Deferred compensation	FVTPL	Fair value
Amounts payable and accrued liabilities	Other liabilities	Amortized cost

(ii) Financial assets:

The REIT classifies its non-derivative financial assets with fixed or determinable payments that are not quoted in an active market as loans and receivables. All financial assets are initially measured at fair value, and subsequently are measured at amortized cost using the effective interest method, less any impairment losses.

A provision for impairment for amounts receivable is established when there is objective evidence that collection will not be possible under the original terms of the contract. Indicators of impairment include delinquency of payment and significant financial difficulty of the tenant. The carrying amount of the financial asset is reduced through an allowance account, and the amount of the loss is recognized in the consolidated statements of net income and comprehensive income within investment properties operating expenses. Bad debt write-offs occur when management determines collection

is not possible. Any subsequent recoveries of amounts previously written off are credited against investment properties operating expenses in the consolidated statements of net income and comprehensive income. Amounts receivables that are less than three months past due are not considered impaired unless there is evidence that collection is not possible.

(iii) Financial liabilities:

The REIT classifies financial liabilities on initial recognition as other liabilities measured at amortized cost, or in the case of Class B Units at fair value, with changes in fair value through profit and loss ("FVTPL"). The REIT initially recognizes borrowings on the date they are originated. All other financial liabilities are recognized initially on the trade date at which the REIT becomes party to the contractual provisions of the instrument. Mortgages payable and other financial liabilities are initially recognized at fair value less directly attributable transaction costs, or at fair value when assumed in a business combination or asset acquisition. Subsequent to initial recognition, these financial liabilities are recognized at amortized cost using the effective interest rate method.

The REIT derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

(iv) Finance costs:

Finance costs include interest expense on mortgages payable and the Revolving Facility (as defined in note 10), distributions on Class B Units, the gain or loss on the change in fair value of financial liabilities designated as FVTPL, including Class B Units and other financial instruments, amortization associated with mark-to-market adjustments and financing costs incurred in connection with obtaining long-term financings. Mark-to-market adjustments and financing costs incurred are amortized using the effective interest rate method over the term of the related mortgages payable. Unamortized mark-to-market adjustments and financing costs incurred are fully amortized when mortgages payable are retired before maturity.

(v) Derivative financial instruments:

The REIT may use derivative financial instruments to manage risks from fluctuations in interest rates. All derivative instruments are valued at their respective fair values with

changes in fair value recorded in the consolidated statements of net income and comprehensive income.

(g) Income taxes:

(i) Canadian status:

The REIT is a mutual fund trust pursuant to the Income Tax Act (Canada). Under current tax legislation, a mutual fund trust that is not a Specified Investment Flow Through ("SIFT") trust pursuant to the Income Tax Act (Canada) is entitled to deduct distributions of taxable income such that it is not liable to pay income taxes provided that its taxable income is fully distributed to unitholders. The REIT intends to continue to qualify as a mutual fund trust that is not a SIFT trust and to make distributions not less than the amount necessary to ensure that the REIT will not be liable to pay income taxes.

(ii) U.S. REIT status:

The REIT is treated as a U.S. corporation for all purposes under the Internal Revenue Code of 1986, as amended (the "Code") and, as a result, it is permitted to elect to be treated as a real estate investment trust under the Code, notwithstanding the fact that it is organized as a Canadian entity. In general, a company which elects to be taxed as a real estate investment trust, distributes at least 90% of its real estate investment trust taxable income, subject to certain adjustments, to its unitholders in any taxable year, and complies with certain other requirements (including asset, income and other tests) is not subject to federal income taxation to the extent of the income which it distributes. If it fails to qualify as a real estate investment trust in any taxable year, without the benefit of certain relief provisions, it will be subject to federal (including any applicable alternative minimum tax), state and local income tax at regular corporate income tax rates on its taxable income. Even if it qualifies for taxation as a real estate investment trust, it may be subject to certain state and local taxes on its income, property or net worth and to federal income and excise taxes on its undistributed income. The REIT has reviewed the real estate investment trust requirements and has determined that it qualifies as a real estate investment trust under the Code. Accordingly, no provision for U.S. federal income or excise taxes has been made with respect to the income of the REIT.

The REIT had no uncertain tax positions as at December 31, 2015. The REIT expects no significant increases or decreases in uncertain tax positions due to changes in tax positions within one year of December 31, 2015. The REIT has no material interest or

penalties relating to income taxes recognized in the consolidated statements of net income and comprehensive income for the years ended December 31, 2015 and 2014 or in the consolidated statements of financial position as at December 31, 2015 and 2014. As at December 31, 2015, returns for the calendar years 2013 through 2014 remain subject to examination by U.S. and various state and local tax jurisdictions.

(h) Distributions declared:

Distributions declared to unitholders are recognized as a liability in the period in which the distributions are approved by the Board of Trustees and are recorded as a reduction of accumulated income.

(i) REIT Units:

The REIT Units are redeemable at the option of the holder and, therefore, are considered puttable instruments in accordance with International Accounting Standards 32, *Financial Instruments - Presentation* ("IAS 32"). Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met in accordance with IAS 32, in which case, the puttable instruments may be presented as equity. The REIT Units (as defined in note 12) meet the conditions of IAS 32 and are, therefore, presented as equity.

(j) Class B Units:

Class B Units are entitled to distributions per unit in an amount equal to the distributions per unit declared in respect of the REIT Units, and are redeemable by the holder thereof for cash or REIT Units (on a one-for-one basis, subject to customary anti-dilution adjustments), as determined by the general partner of the Partnership (as defined in note 13) in its sole discretion. The Class B Units are puttable, and, therefore, meet the definition of a financial liability under IAS 32 and are accordingly classified as non-current liabilities in the consolidated statements of financial position.

All Class B Units are financial liabilities and are measured at fair value at each reporting period, based upon the value of a REIT Unit, with any changes in fair value recorded in the consolidated statements of net income and comprehensive income.

(k) Deferred compensation plans:

As described in note 12, the REIT has a Deferred Unit Incentive Plan ("DUIP") and unit option plan (the "Plan") that provides for the granting of deferred trust units (“DTUs”) and options to certain of the trustees, officers, employees, consultants and service providers, as well as employees of such service providers. Deferred compensation is measured at fair value as at the grant date and compensation expense is recognized in general and administrative expense over the related vesting period. The amounts are fair valued each reporting period and the change in fair value is recognized as compensation expense. The unit based compensation is presented as a liability.

(l) Critical accounting, judgments, estimates and assumptions:

Preparing the consolidated financial statements requires management to make judgments, estimates and assumptions in the application of the policies outlined above. Management bases its judgments and estimates on historical experience and other factors it believes to be reasonable under the circumstances. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or the liability affected in the future.

(i) Critical accounting judgments:

The following are the critical judgments used in applying the REIT's accounting policies that have the most significant effect on the amounts in the consolidated financial statements:

(a) Investment properties:

The REIT assesses whether an acquisition transaction should be accounted for as an asset acquisition or a business combination under IFRS 3, *Business Combinations* ("IFRS 3"). This assessment requires management to make judgments on whether the assets acquired and liabilities assumed constitute a business as defined in IFRS 3 and if the integrated set of activities, including inputs and processes acquired, is capable of being conducted and managed as a business, and the REIT obtains control of the business.

Management makes judgments with respect to whether lease incentives provided in connection with a lease enhance the value of the leased space, which determines

whether or not such amounts are treated as tenant improvements and added to investment properties. Lease incentives, such as cash, rent-free periods and lessee- or lessor-owned improvements, may be provided to lessees to enter into an operating lease. Lease incentives that do not provide benefits beyond the initial lease term are amortized as a reduction of rental revenue on a straight-line basis over the term of the lease.

Judgment is also applied in determining whether improvements to the investment property and costs incurred in obtaining and retaining property tenants are additions to the carrying amounts of the investment properties.

(b) Leases:

The REIT uses judgment in determining whether certain leases, in particular those with long contractual terms where the lessee is the sole tenant in an investment property where the REIT is the lessor and long-term ground leases, are operating or finance leases. Management has determined that all of its leases are operating leases as the REIT has retained substantially all of the risks and benefits of ownership.

(c) Income taxes:

The REIT is a mutual fund trust pursuant to the Income Tax Act (Canada) and a real estate investment trust pursuant to the Code. Under current tax legislation, the REIT is not liable to pay Canadian or U.S. income tax provided that its taxable income is fully distributed to unitholders each year. The REIT has reviewed the requirements for real estate investment trust status and has determined that it qualifies as a real estate investment trust pursuant to the Code.

(ii) Estimates and assumptions:

Management makes estimates and assumptions that affect carrying amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amount of income for the year. Actual results could differ from these estimates. The estimates and assumptions that are critical in determining the amounts reported in the consolidated financial statements include the valuation of investment properties.

Critical assumptions relating to the estimates of fair values of investment properties include the receipt of contractual rents, expected future market rents, renewal rates, maintenance requirements, discount rates that reflect current market uncertainties, capitalization rates and current and recent investment property prices. If there is any change in these assumptions or regional, national or international economic conditions, the fair value of investment properties may change materially.

3. Changes in Accounting Policies:

The following standards and amendments to existing standards issued by the IASB may be relevant to the REIT in preparing its consolidated financial statements in future periods:

(i) IFRS 15, *Revenue from Contracts with Customers*

In May 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers*. The new standard provides a comprehensive framework for recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the standard on leases, insurance contracts and financial instruments. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively. Early adoption is permitted. The REIT is currently assessing the impact of the new standard on its consolidated financial statements.

(ii) IFRS 9, *Financial Instruments*

In July 2014, the IASB issued IFRS 9, *Financial Instruments* replacing IAS 39, *Financial Instruments – Recognition and Measurement.* The project has three main phases: classification and measurement, impairment and general hedging. The standard becomes effective for annual periods beginning on or after January 1, 2018, and is to be applied retrospectively. Early adoption is permitted. The REIT is currently assessing the impact of the new standard on its consolidated financial statements.

(iii) Annual Improvements to IFRS (2012 - 2014) cycle

On September 25, 2014, the IASB issued narrow-scope amendments to a total of four standards as part of its annual improvements process. The amendments will apply for annual periods beginning on or after January 1, 2016. The amendments clarify requirements of IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, IFRS 7, *Financial Instruments - Disclosures*, IAS 19, *Employee Benefits*, and IAS 34, *Interim Financial*

Reporting. The REIT intends to adopt these amendments in its consolidated financial statements for the annual period beginning on January 1, 2016. The REIT does not expect the amendments to have a material impact on its consolidated financial statements.

(iv) IAS 1, *Presentation of Financial Statements*

In December 2014, the IASB issued amendments to IAS 1, *Presentation of Financial Statements* as part of its major initiative to improve presentation and disclosure in financial reports. The amendment becomes effective for annual periods beginning on or after January 1, 2016. The REIT intends to adopt these amendments in its consolidated financial statements for the annual period beginning on January 1, 2016. The REIT does not expect the amendments to have a material impact on its consolidated financial statements.

(v) IFRS 16, *Leases* ("IFRS 16")

On January 13, 2016 the IASB issued IFRS 16. The new standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 will replace IAS 17, *Leases*. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15, *Revenue from Contracts with Customers* at or before the date of initial adoption of IFRS 16. The REIT intends to adopt these amendments in its consolidated financial statements for the annual period beginning on January 1, 2019. The REIT is currently assessing the impact of the new standard on its consolidated financial statements.

4. Asset acquisitions:

Memphis Portfolio

On February 20, 2015, the REIT indirectly acquired from a third party, a 100% leased portfolio of six industrial investment properties located in Memphis, Tennessee (the "Memphis Portfolio"), for a purchase price of $86,667 (exclusive of closing costs and acquisition fee). The purchase price was paid in cash using a portion of the net proceeds from the January 28, 2015 issuance of 4,312,500 REIT Units at a price of $10.80 per REIT Unit (the "January 2015 Offering") (note 12) and a new, $51,750 five-year mortgage payable bearing a fixed interest rate of 2.87%.

The assets acquired and liabilities assumed in this transaction were allocated as follows:

Investment properties (1)	$	88,192
Prepaid expenses		39
Amounts payable and accrued liabilities		(267)
Security deposits		(77)
Net assets acquired	$	87,887

Consideration given by the REIT consists of the following:

Cash		87,887
Total consideration	$	87,887

(1) Includes total closing costs and acquisition fee of $1,525 and an IFRIC 21 liability of $1,487 assumed on acquisition that is offset by an equal adjustment to investment property.

Kentucky Property

On April 4, 2014, the REIT indirectly acquired from Welsh Property Trust, LLC ("Welsh"), a 100% leased industrial investment property located in Hebron, Kentucky (the "Kentucky Property"), for a purchase price of $13,300 (exclusive of closing costs and acquisition fee). The purchase price was paid in cash using a portion of the $32,347 gross proceeds from the April 4, 2014 public offering on a bought deal basis (the "April 2014 Offering") (note 12).

Atlanta Property

On April 29, 2014, the REIT indirectly acquired from a third party, a 100% leased industrial investment property located in Atlanta, Georgia (the "Atlanta Property") for a purchase price of $51,500 (exclusive of closing costs and acquisition fee). The purchase price was satisfied with proceeds of the April 2014 Offering, proceeds from a new, $28,325 five-year mortgage payable bearing a fixed interest rate of 3.41%, and cash on hand.

Louisville Property

On June 18, 2014, the REIT indirectly acquired from Welsh, a 100% leased industrial investment property located in Shepherdsville, Kentucky (the "Louisville Property") for a purchase price of $45,396 (exclusive of closing costs and fair value adjustment to Class B Units issued). The purchase price was satisfied by the issuance of 2,165,605 Class B Units to Welsh and proceeds from a new, $24,915 eight-year mortgage payable bearing a fixed interest rate of 3.77%.

OIA Property

On June 27, 2014, the REIT indirectly acquired from a third party, a 100% leased industrial investment property located in Hebron, Kentucky (the "OIA Property") for a purchase price of $5,500 (exclusive of closing costs and acquisition fee). The purchase price was satisfied with cash on hand and proceeds from the Revolving Facility.

The assets acquired and liabilities assumed in these transactions were allocated as follows for the year ended December 31, 2014:

	Kentucky Property	Atlanta Property	Louisville (2) Property	OIA Property	Total
Investment property (1)	$ 13,577	$ 52,064	$ 47,425	$ 5,746	$118,812
Amounts receivable	18	-	125	-	143
Other non-current assets	-	-	2,002	-	2,002
Prepaid expenses	-	-	8	-	8
	13,595	52,064	49,560	5,746	120,965
Amounts payable and accrued liabilities	(24)	(3)	(180)	-	(207)
	(24)	(3)	(180)	-	(207)
Net assets acquired	$ 13,571	$ 52,061	$ 49,380	$ 5,746	$120,758
Consideration given by the REIT consists of the following:					
Class B Units	-	-	22,089	-	22,089
Cash	13,571	52,061	27,291	5,746	98,669
Total consideration	$ 13,571	$ 52,061	$ 49,380	$ 5,746	$120,758

(1) Includes total closing costs and acquisition fees of $1,427 and an IFRIC 21 liability of $383 assumed on acquisition that is offset by an equal adjustment to investment property.

(2) Investment property acquired and Class B Units issued includes a fair value adjustment of $1,689 due to a change in fair value of Class B Units issued upon acquisition of the Louisville Property, offset by a change in cost of investment property.

5. Investment properties:

The reconciliation of the carrying amount of investment properties for the years ended December 31, 2015 and 2014 are set out below:

	2015	2014
Balance, beginning of period	$ 633,056	$ 493,006
Investment property acquisitions	88,192	118,812
Additions to investment properties, including lease incentives	3,658	2,813
Amortization of straight-line rent	754	2,519
Amortization of lease incentives	(486)	(138)
Fair value adjustment to investment properties	17,418	16,044
	$ 742,592	$ 633,056

Straight-line rent

Straight-line rent includes the cumulative difference between rental revenue as recorded on a straight-line basis and rents received from the tenants in accordance with their respective lease terms.

The fair value hierarchy of investment properties measured at fair value in the consolidated statements of financial position is as follows:

	Level 1	Level 2	Level 3
Investment properties – December 31, 2015	$ –	$ –	$ 742,592
Investment properties – December 31, 2014	$ –	$ –	$ 633,056

Investment properties include the current fair value of the land, building, improvements to the investment property and all direct leasing costs incurred in obtaining and retaining property tenants. Management reviews the fair value of the investment properties regularly using independent property valuations and market conditions existing at the reporting date, which are generally accepted market practices. Judgment is also applied in determining the extent and frequency of independent third party appraisals. The REIT determines the fair value of an investment property at the end of each reporting period using a combination of the following methods: (i) an internal valuation using the discounted cash flow model, which discounts the expected future cash flows, including a terminal value, based on the application of a terminal capitalization rate to the assumed final year's estimated cash flows, and reviewing the key assumptions from previous and current appraisals and updating the value for changes in the property cash flow, physical condition and changes in market conditions, and (ii) appraisals by an independent third party, according to professional appraisal standards and IFRS.

Management retained an independent third party appraiser to appraise each investment property contained within the portfolio at the time of the initial public offering (“IPO”), and has obtained independent third party appraisals with respect to each investment property subsequently acquired, except for those investment properties in respect of which the requirement to obtain an appraisal was waived by the independent trustees of the Board of Trustees. Additionally, the REIT, as part of management’s regular review of the investment properties fair value, obtained independent third party appraisals for 14 and 12 existing properties in the portfolio during the third quarter of 2015 and 2014, respectively.

Significant changes in estimated rental value, rent growth per annum and long-term vacancy rate (and exit yield) in isolation could result in a significantly higher or lower fair value of investment properties.

The key valuation metrics for investment properties are set out below for the years ended December 31, 2015 and 2014:

	2015	2014
Weighted average terminal capitalization rate:	7.06%	7.07%
Range of terminal capitalization rates:	6.25%-8.50%	6.25%-8.50%
Weighted average discount rate:	7.56%	7.35%
Range of discount rates:	6.32%-8.87%	6.73%-8.50%

The fair value of investment properties is most sensitive to changes in terminal capitalization rates. As at December 31, 2015, the weighted average terminal capitalization rate was 7.06%. A 25-basis-point increase in the weighted average terminal capitalization rate would decrease the value of the investment properties by $25,396. A 25-basis-point decrease in the weighted average terminal capitalization rate would increase the value of the investment properties by $27,261.

6. Amounts receivable:

Receivables are recorded at their estimated net realizable value and are periodically evaluated for collectibility based on the recovery experience of the REIT and the creditworthiness of the tenants.

Amounts receivable are as follows as at December 31, 2015 and 2014:

	2015	2014
Tenant receivables	$ 1,237	$ 1,275
Other receivables	166	56
Allowance for uncollectible amounts	(7)	(36)
	$ 1,396	$ 1,295

The carrying value of amounts receivable approximates fair value.

7. Amounts payable and accrued liabilities:

Amounts payable and accrued liabilities consist of the following as at December 31, 2015 and 2014:

	2015	2014
Trade payables	$ 294	$ 153
Accrued liabilities and other payables	1,806	3,136
Accrued real estate taxes	2,731	1,722
Accrued interest	1,891	1,748
Unearned revenue	103	81
Rent received in advance	2,135	1,985
Deferred compensation	3,356	1,516
	$ 12,316	$ 10,341

8. Operating leases:

The REIT leases commercial investment properties to tenants under non-cancellable operating leases. The leases have various terms, escalation clauses and renewal rights as well as early termination fees.

There were no tenants that accounted for more than 10% of the REIT's total rental revenue for the years ended December 31, 2015 or 2014.

As at December 31, 2015, the total future contractual minimum base rent lease payments expected to be received under non-cancellable leases are as follows:

One year or less	$ 52,305
2 - 5 years	133,483
Greater than 5 years	50,877
	$ 236,665

9. Mortgages payable:

Mortgages payable consist of the following as at December 31, 2015 and 2014:

	2015	2014
Mortgages payable	$ 314,095	$ 264,459
Mark-to-market adjustments, net	2,695	3,378
Financing costs, net	(1,315)	(1,158)
Carrying value	315,475	266,679
Less current portion	(23,161)	(2,113)
Long-term portion	$ 292,314	$ 264,566

Mortgages payable that are due and payable within 12 months after the date of the consolidated statements of financial position presented, including scheduled principal payments on mortgages payable, are classified as current liabilities. Mortgages payable are collateralized by investment properties with a fair value of $608,305 and $498,716 as at December 31, 2015 and 2014, respectively. As at December 31, 2015, mortgages payable bear interest at various rates ranging from 2.87% to 5.80% (3.40% to 5.80% as at December 31, 2014), and have a weighted average effective interest rate of 3.98% (4.21% as at December 31, 2014), with maturity dates ranging from 2016 - 2024. As at December 31, 2015 and 2014, there were no mortgages payable with variable interest rates. The weighted average term to maturity on mortgages payable was 4.9 years and 6.1 years as at December 31, 2015 and 2014, respectively.

During the year ended December 31, 2015, the REIT entered into a new, five-year mortgage payable totaling $51,750, bearing a fixed interest rate of 2.87%, as a result of the Memphis Portfolio acquisition (note 4).

During the year ended December 31, 2014, the REIT entered into two new, fixed interest rate mortgages payable totaling $53,240 as a result of investment property acquisitions (note 4). On April 8, 2014, the REIT repaid one variable rate mortgage payable in the amount of $3,180 and did not renew the related interest rate swap. On July 10, 2014, the REIT used the proceeds from a new, $11,000 mortgage payable bearing a fixed interest rate of 4.03%, in addition to cash on hand, to pay off an existing mortgage payable with an outstanding balance of $11,205 and a maturity of July 10, 2014. On August 12, 2014, the REIT refinanced a variable interest rate mortgage payable in the amount of $31,800 with proceeds from a new, six-year, $31,800 mortgage payable bearing a fixed interest rate of 3.40%.

Future contractual cash flows of mortgages payable principal and interest are as follows as at December 31, 2015:

	Principal Payment	Interest Payment	Total Payments
2016	$ 23,161	$ 12,443	$ 35,604
2017	1,913	11,112	13,025
2018	33,295	10,549	43,844
2019	31,481	8,866	40,347
2020	87,111	6,844	93,955
2021 and thereafter	137,134	8,888	146,022
	$ 314,095	$ 58,702	$ 372,797

Covenant compliance requirements:

The REIT's mortgages payable contain customary representations, warranties, and events of default, which require the REIT to comply with affirmative and negative covenants. These covenants include (a) net worth thresholds, (b) senior debt service coverage ratios, (c) total indebtedness to gross book value ratios, and (d) liquid asset thresholds. As at December 31, 2015 and 2014, the REIT was in compliance with all covenants of its mortgages payable.

Financial covenants applicable to Welsh remain on two of the REIT's mortgages payable relating to investment properties contributed to the REIT from Welsh during the IPO totaling $39,221, requiring Welsh to meet certain financial and operating criteria. As at December 31, 2015 and 2014, Welsh was in compliance with all covenants.

10. Revolving Facility:

The Revolving Facility consists of the following as at December 31, 2015 and 2014:

	2015	2014
Revolving Facility	$ 46,700	$ 56,900
Financing costs, net	(100)	(403)
Carrying value	$ 46,600	$ 56,497

On April 26, 2013, the REIT entered into a senior secured revolving facility with a maximum commitment of $75,000 (the "Revolving Facility"), and availability determined subject to compliance with a number of borrowing base tests. The Revolving Facility has an initial term of three years from April 26, 2013 and provides the REIT the right to a one-year extension option that includes an accordion feature which could increase the size of the facility to $200,000, subject to lender approval. The interest rate on the Revolving Facility is, at the REIT's option, based on either a base rate or LIBOR, in each case plus an applicable margin based on leverage. The base rate is equal to the greater of: (a) the "prime rate" plus 1.0%, (b) 0.5% above the federal funds effective rate, or (c) 30-day LIBOR plus the applicable margin. As at December 31, 2015 and 2014, the Revolving Facility interest rate was 2.68% and 2.67%, respectively.

Financing costs of $921 related to the Revolving Facility are being amortized using the effective interest rate method over the initial term of three years.

Availability on the Revolving Facility was $75,000 as at December 31, 2015, of which the REIT had drawn $46,700, leaving remaining availability of $28,300.

11. Class B Units:

Class B Units are valued at the REIT Units' closing price per the TSX as at December 31, 2015 and 2014, which was $11.95 and $10.95, respectively.

The following table shows the change in the carrying value of Class B Units outstanding for the periods presented:

	Units		Value
As at December 31, 2013	13,059,709	$	113,489
Class B Units issued June 18, 2014 (note 4)	2,165,605		22,089
Fair value adjustments on Class B Units	-		31,139
As at December 31, 2014	15,225,314	$	166,717
Fair value adjustments on Class B Units	-		15,225
As at December 31, 2015	15,225,314	$	181,942

Included in finance costs for the years ended December 31, 2015 and 2014 are $10,956 and $10,020 of distributions declared on Class B Units, respectively. Total distributions payable on Class B Units as at December 31, 2015 and 2014 were $964 and $888, respectively.

12. Unitholders' equity:

The REIT's Declaration of Trust authorizes the issuances of an unlimited number of REIT units ("REIT Unit"). REIT Units are ordinary units of the REIT, each of which represents a unitholders' proportionate undivided beneficial interest and voting rights in the REIT.

On April 4, 2014, the REIT completed the April 2014 Offering, when it issued 3,478,200 REIT Units (including REIT Units issued pursuant to the exercise in full of the over-allotment option granted by the REIT to the underwriters of the offering) at a price of $9.30 per REIT Unit to a syndicate of underwriters on a bought deal basis for gross proceeds to the REIT of approximately $32,347. Issue costs related to the April 2014 Offering were $1,723. As part of the April 2014 Offering, Welsh purchased $7,000 of the REIT Units being offered, or 752,700 REIT Units at the offering price of $9.30 per REIT Unit.

On January 28, 2015, the REIT completed the January 2015 Offering, when it issued 4,312,500 REIT Units (including REIT Units issued pursuant to the exercise in full of the over-allotment option granted by the REIT to the underwriters of the offering) at a price of $10.80 per REIT Unit to a syndicate of underwriters on a bought deal basis for gross proceeds to the REIT of approximately $46,575. Issue costs related to the January 2015 Offering were approximately $2,430.

	Units		Value
As at December 31, 2013	10,732,200	$	95,163
REIT Units issued on completion of the April 2014 Offering, (including REIT Units issued through underwriter's over-allotment, and net of issue costs)	3,478,200		30,624
REIT Units issued due to exercise of stock options	219		3
As at December 31, 2014	14,210,619	$	125,790
REIT Units issued on completion of the January 2015 Offering, (including REIT Units issued through underwriter's over-allotment, and net of issue costs)	4,312,500		44,145
As at December 31, 2015	18,523,119	$	169,935

(a) Distributions:

The REIT declared distributions to unitholders of record in the amount of $13,329 ($0.72 per Unit) and $9,333 ($0.70 per Unit) for the years ended December 31, 2015 and 2014,

respectively. Total distributions payable as at December 31, 2015 and 2014 were $1,172 and $828, respectively.

(b) Deferred Unit Incentive Plan:

On April 26, 2013, the REIT authorized a DUIP that provides for the granting of DTUs to trustees, officers, employees, consultants and service providers, as well as employees of such service providers. DTUs are defined as notional units with a fair value based on the REIT Units' closing price per the TSX. The maximum number of REIT Units reserved for issuance under the DUIP is 5% of the total number of REIT Units issued and outstanding from time to time. Vested DTUs may be redeemed in whole or in part for units of the REIT issued from treasury or cash. All DTUs granted to officers and employees vest as to one-fifth on the first anniversary of the grant date, and one-fifth on each of the four following anniversaries. Whenever cash distributions are paid to REIT unitholders, additional DTUs are credited to the participant's outstanding DTU balance based on the 5-day volume-weighted average price on the grant date. These additional units vest on the same schedule as their corresponding DTUs.

Officer and Employee Grants

A summary of DTUs granted to officers of the REIT and employees of Welsh under the DUIP is set forth below:

	DTUs Granted
Total as at December 31, 2013	52,462
May 27, 2014 grant	65,000
DTUs granted through distributions	6,566
Total as at December 31, 2014	124,028
DTUs granted through distributions	7,845
Forfeited DTUs	(4,432)
Total as at December 31, 2015	127,441

Additional DTUs of $1,250 had been approved, of which $362 have been recorded as a deferred compensation liability as at December 31, 2015, but are not yet granted.

The total fair value of DTUs granted to officers and employees as at December 31, 2015 and 2014 was $1,523 and $1,358, respectively. As at December 31, 2015 and 2014, a total of 38,356 and 11,273 DTUs granted to officers and employees had vested, respectively.

Trustee and Other Grants

All members of the Board of Trustees have elected to receive their annual retainers and meetings fees for the current fiscal year and since inception in the form of DTUs. Annually, the REIT matches 50% of all annual trustee compensation received in DTUs, which vest as to one-third on the first anniversary date of the grant and one-third on each of the second and third anniversaries. Distributions on DTUs accrue to the holder in additional REIT Units on each distribution date.

A summary of DTUs granted to trustees under the DUIP is set forth below:

	DTUs Granted
Total as at December 31, 2013	10,732
DTUs granted for services rendered	37,802
DTUs granted through distributions and 50% match	13,394
Total as at December 31, 2014	61,928
DTUs granted through distributions and 50% match	3,917
Total as at December 31, 2015	65,845

Additional DTUs of $668 had been approved, of which $508 have been recorded as a deferred compensation liability as at December 31, 2015, but are not yet granted.

The total fair value of DTUs granted to trustees as at December 31, 2015 and 2014 was $768 and $624, respectively. As at December 31, 2015 and 2014, a total of 57,714 and 50,456 DTUs granted to trustees had vested, respectively.

The movement in the DUIP balance was as follows:

As at December 31, 2013	$	349
Deferred compensation expense		807
Fair value adjustments		136
As at December 31, 2014	$	1,292
Deferred compensation expense		1,230
Fair value adjustments		185
As at December 31, 2015	$	2,707

Total compensation expense recognized for the years ended December 31, 2015 and 2014 was $1,415 and $943, respectively. These amounts include adjustments based on the fair value of the REIT Units as at December 31, 2015 and 2014.

(c) Unit option plan:

On April 26, 2013, the REIT authorized the Plan, under the terms of which options to purchase REIT Units may from time to time, be granted to trustees, officers, employees and consultants, exercisable for a maximum period of 10 years from the date of grant. The maximum number of REIT Units reserved for issuance under the Plan is 10% of the total number of REIT Units issued and outstanding from time to time. These options vest as to one-third on the first anniversary of the grant date, and one-third on each of the second and third anniversaries.

A summary of options granted under the Plan is set forth below:

	Number of options	Weighted average exercise price
Outstanding, December 31, 2013	390,000	$ 10.14
Grant - May 27, 2014	200,000	$ 9.81
Exercised	(3,333)	$ 10.14
Forfeited or expired	(16,667)	$ 10.14
Outstanding, December 31, 2014	570,000	$ 10.02
Exercisable, December 31, 2014	123,333	$ 10.14
Forfeited or expired	(13,333)	$ 10.14
Outstanding, December 31, 2015	556,667	$ 10.02
Exercisable, December 31, 2015	304,445	$ 10.07

During the year ended December 31, 2015, there were no options exercised. During the year ended December 31, 2014, there was a non-cash exercise of 3,333 options, resulting in the issuance of 219 REIT Units.

The total fair value of options granted as at December 31, 2015 and 2014 and as at the grant date was $726, $355 and $327, respectively. The aggregate intrinsic value of exercisable options as at December 31, 2015 and 2014 was $573 and $114, respectively. The weighted average remaining contractual life for outstanding options and for exercisable options as at December 31, 2015 was 7.8 years and 7.6 years, respectively.

The movement in the liability balance related to the Plan was as follows:

Balance, December 31, 2013	$ 67
Deferred compensation expense	129
Fair value adjustments	28
Balance, December 31, 2014	$ 224
Deferred compensation expense	62
Fair value adjustments	363
Balance, December 31, 2015	$ 649

Total compensation expense recognized for the years ended December 31, 2015 and 2014 was $425 and $157, respectively. These amounts include adjustments based on the fair value of the options as at December 31, 2015 and 2014. As at December 31, 2015, fair value adjustments were determined using the Black-Scholes option pricing model with the following assumptions:

Average expected option term	5.0 years
Risk-free interest rate	1.76%
Expected volatility	19.11%
Dividend yield	6.36%

13. Related party transactions:

Related party transactions with Welsh for the years ended December 31, 2015 and 2014 are set forth below:

	2015	2014
Acquisitions		
Kentucky Property acquisition (see note 4)	$ -	$ 13,300
Louisville Property acquisition (see note 4)	$ -	$ 45,396
Fees earned under asset management agreement (1)		
Acquisition fees	$ 867	$ 703
Asset management fees	$ 1,719	$ 1,421
Construction management fees	$ 127	$ 191
Fees earned under property management agreement (2)	$ 1,676	$ 1,374
Other		
Class B Unit distributions paid (3)	$ 10,880	$ 9,893
REIT Unit distributions paid (4)	$ 538	$ 351
Class B Units issued (see note 4)	-	2,165,605
REIT Units issued (4)	-	752,700
Office rent (5)	$ 1,073	$ 1,052

(1) On April 26, 2013, the REIT entered into an asset management agreement with Welsh, under which Welsh provides certain asset management services to the REIT and its subsidiaries. The asset management agreement provides for the following fees:

- Asset management fees at 0.25% of gross book value, as defined in the asset management agreement. Asset management fees payable to Welsh as at December 31, 2015 and 2014 were $144 and $126, respectively.

- Acquisition fee. An acquisition fee equal to: (i) 1.0% of the purchase price paid for the first $100,000 of investment properties acquired by the REIT or any of its affiliates in each

fiscal year; (ii) 0.75% of the purchase price paid for the next $100,000 of investment properties acquired by the REIT or any of its affiliates in each fiscal year; and (iii) 0.50% of the purchase price paid in excess of $200,000 for investment properties acquired by the REIT or any of its affiliates in each fiscal year.

- Construction management fee. With respect to any capital project with costs in excess of $100 undertaken by the REIT or any of its affiliates, a construction management fee equal to 5.0% of aggregate tenant improvements, capital expenditures and construction costs incurred in respect of such capital project. Construction management fees payable to Welsh as at December 31, 2015 and 2014 were $51 and $71, respectively.

(2) On April 26, 2013, WPT Industrial, LP (the "Partnership") and the REIT entered into a property management agreement with Welsh. Under the property management agreement, Welsh is the property manager of the investment properties owned by the REIT and administers the day-to-day operations of the REIT's portfolio of investment properties.

Property management fees are described below for all investment properties owned by the REIT.

- 2% of the gross property revenue for all single-tenant industrial investment properties;
- 3% of the gross property revenue for all multi-tenant industrial investment properties; and
- 4% of the gross property revenue for all office investment properties.

(3) As at December 31, 2015 and 2014, there were 15,225,314 Class B Units held by Welsh. Distributions payable to Welsh on Class B Units as at December 31, 2015 and 2014 were $964 and $888, respectively.

(4) As part of the April 2014 Offering, Welsh purchased $7,000 of the REIT Units being offered, or 752,700 REIT Units, at the offering price of $9.30 per REIT Unit. Distributions payable to Welsh on these REIT Units as at December 31, 2015 and 2014 were $48 and $44, respectively.

(5) An affiliate of Welsh leases space from a subsidiary of the REIT at an investment property located at 4350 Baker Road, Minnetonka, Minnesota. The lease commenced on June 1, 2008 and expires on May 31, 2020, with annual rent increases of 2%.

Out-of-pocket costs and expenses

The REIT reimburses Welsh for all reasonable actual out-of-pocket costs and expenses incurred in connection with the performance of the services described in the asset management agreement or such other services that the REIT and Welsh agree in writing are to be provided from time to time by Welsh. As at December 31, 2015 and 2014, the net payable due to Welsh was $21 and $87, respectively, related to these reimbursements.

14. Finance costs:

Finance costs incurred and charged to net income and comprehensive income for the years ended December 31, 2015 and 2014 are recorded as follows:

	2015	2014
Interest on mortgages payable incurred at stated rate	$ 12,329	$ 10,413
Revolving Facility interest	1,300	1,345
Class B Unit issuance costs	-	83
Amortization of financing costs	665	798
Amortization of mark-to-market adjustments on fixed interest rate mortgages payable	(683)	(778)
Distributions on Class B Units	10,956	10,020
Fair value adjustment on Class B Units and financial instruments	15,225	31,137
	$ 39,792	$ 53,018

15. Segment reporting:

The REIT owns, manages and operates primarily industrial investment properties located throughout the U.S. Management, when measuring the investment properties performance, does not distinguish or group its operations on a geographical or any other basis. Accordingly, the REIT has a single reportable segment for disclosure purposes in accordance with IFRS.

16. Commitment and contingencies:

(a) In connection with the IPO, the REIT has agreed to indemnify the underwriters against certain liabilities, including liabilities under applicable securities legislation, or to contribute to payments the underwriters may be required to make in respect of those liabilities. The REIT has agreed to indemnify, in certain circumstances, the trustees and the officers of the REIT in respect of any taxes, penalties or interest imposed upon the trustee or officer in consequence of his/her performance of his/her duties as a trustee or officer.

(b) The REIT has a contingent obligation to expand the gross leasable area at one of its investment properties at the option of the tenant. Management estimates the cost associated with this expansion, should it occur, to be approximately $1,000. The expansion is conditional on mutual agreement between the tenant and the REIT with regard to the base rental rates to be charged for occupying such expansion space. This contingent obligation will terminate at expiration of the underlying lease, inclusive of lease renewal options, on November 30, 2032.

(c) The REIT has entered into a non-cancellable ground lease for land related to one of its investment properties. Annual payments under the lease are approximately $100 through May 31, 2023. Annual payments thereafter are adjusted based on changes in the consumer price index until expiration in 2093.

(d) In conjunction with the acquisition of 35 industrial investment properties from Welsh at IPO (the “Initial Properties”), $29,500 of self-funded industrial revenue bonds ("Bonds") were assumed. The authorized amount of the Bonds is $29,500, of which $29,500 was outstanding as at December 31, 2015 and 2014. In connection with the Atlanta Property acquisition on April 29, 2014, $40,170 of Bonds were assumed. The authorized amount of the Bonds is $41,500, of which $40,170 was outstanding as at December 31, 2015 and 2014, respectively. The Bonds provide for real estate tax abatement for the acquired investment properties. Through a series of transactions, the REIT is both the bondholder and the obligor of the Bonds. Therefore, in accordance with IAS 32, the Bonds are not recorded in the consolidated statements of financial position.

17. Fair value measurement:

(a) Fair value of financial instruments:

In addition to those financial instruments carried at fair values, the fair values of the REIT's financial assets and financial liabilities, together with the contractual carrying amounts shown in the consolidated statements of financial position, are as follows:

	Carrying amount	Fair value
Mortgages payable – As at December 31, 2015	$ 314,095	$ 319,032
Mortgages payable – As at December 31, 2014	$ 264,459	$ 271,624

The following summarizes the significant methods and assumptions used in estimating fair values of the REIT's financial instruments, excluding financial instruments carried at amortized cost where carrying value approximates fair value:

(i) Mortgages payable:

The REIT estimates the fair value of mortgages payable using a discounted cash flow analysis and a yield rate that was estimated based on the borrowing rates currently available to the REIT for mortgages payable with similar terms and maturities, which is a Level 2 input.

(ii) Interest rate cap:

On May 1, 2015, the interest rate cap expired, which covered a principal amount of up to $50,000 of the REIT’s variable interest rate debt and provided for a LIBOR cap of 50-basis points. The fair value of the interest rate cap was an asset of $0 as at December 31, 2014, and was included in the accompanying consolidated statements of financial position within the other non-current assets caption. The REIT recognized an adjustment to interest expense in the amount of $0 and $25 for the years ended December 31, 2015 and 2014, respectively. The interest rate cap fair value was determined by a model-derived valuation in which significant inputs and value drivers were observable in active markets for a similar instrument, i.e., Level 2 inputs. Changes in fair value were recognized as adjustments to interest expense in the accompanying consolidated statements of net income and comprehensive income.

(iii) Deferred compensation:

The fair value of unit options granted is estimated using the Black-Scholes option pricing model (Level 2).

The fair value of DTUs granted is estimated based on the market trading prices of the REIT Units (Level 1).

(iv) Class B Units:

The fair value of Class B Units is estimated based on the market trading prices of the REIT Units (Level 2).

(v) Other financial assets and liabilities:

Amounts receivable, cash and cash equivalents, other non-current assets, restricted cash, amounts payable and accrued liabilities are carried at amortized cost, which, due to their short-term nature, approximates fair value.

18. Capital management:

The primary objective of the REIT's capital management policy is to ensure sufficient liquidity to pursue its growth through acquisitions, to fund leasing costs and capital expenditure requirements, to maintain a flexible capital structure that optimizes the cost of capital at acceptable risk and preserves the ability to meet financial obligations, to ensure adequate funds are available to maintain consistent and sustainable unitholders' distributions, and to remain within its quantitative banking covenants.

The REIT's capital structure consists of cash, debt (including mortgages payable, the Revolving Facility and Class B Units), and unitholders' equity. In managing its capital structure, the REIT monitors performance and makes adjustments to its capital structure based on its investment strategies and changes to economic conditions. In order to maintain or adjust its capital structure, the REIT may issue equity or new debt, issue new debt to replace existing debt (with different characteristics), or reduce the amount of existing debt.

Part of the REIT's objectives in securing mortgages for its investment properties and managing its long-term debt is to stagger the maturities in order to mitigate short-term volatilities in the debt markets. The REIT's declaration of trust stipulates that the REIT shall not incur indebtedness greater than 60% of gross book value. As at December 31, 2015 and 2014, the REIT's debt-to-gross book value ratio was 48.6% and 50.8%, respectively (total outstanding principal balance of mortgages payable and the Revolving Facility of $360,795 and $321,359 as at December 31, 2015 and 2014, respectively, divided by gross book value of $742,592 and $633,056 as at December 31, 2015 and 2014, respectively). The REIT has no convertible debentures outstanding and has never issued any.

The REIT is required under the terms of its Revolving Facility to meet certain financial covenants, including:

(a) consolidated total indebtedness shall not exceed 65% of the consolidated gross asset value through October 26, 2014, and 60% at any time thereafter;

(b) the outstanding principal balance of the Revolving Facility and any letters of credit shall not be greater than the borrowing base availability (65% of the gross asset value of the borrowing base assets through October 26, 2014, and 60% at any time thereafter);

(c) the ratio of adjusted consolidated earnings before interest, taxes, depreciation and amortization to consolidated fixed charges for the most recently ended four quarters shall not be less than 1.75 to 1.00;

(d) consolidated tangible net worth shall not be less than the sum of (i) $150,000 plus (ii) 80% of the sum of any additional net offering proceeds, plus (iii) 80% of the value of interests in the REIT issued upon the contribution of assets to the REIT or its subsidiaries;

(e) aggregate occupancy for the borrowing base assets shall not be less than 85%; and

(f) the borrowing base debt service coverage ratio shall not be less than 1.50 to 1.00.

The REIT is also required to meet certain diversification covenants under the Revolving Facility. In addition, certain mortgages payable require the REIT to meet financial covenant ratios (note 9).

The REIT complied with all financial covenants as at December 31, 2015 and 2014.

19. Financial risk management:

Risk Management:

The REIT's activities expose it to market risk, credit risk and liquidity risk. Risk management is carried out by management of the REIT.

(a) Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk consists of interest rate risk, currency risk and other market price risk. There is interest rate risk associated with the REIT's fixed interest rate mortgages payable due to the expected requirement to refinance such mortgages payable in the year of maturity. In order to manage exposure to interest rate risk, the REIT endeavors to manage maturities of fixed interest rate mortgages payable, and match the nature of the mortgages payable with the cash flow characteristics of the underlying asset. This risk is also minimized through the REIT having all of its mortgages payable in fixed term arrangements.

There is also interest rate risk associated with the REIT's Revolving Facility balance. The Revolving Facility bears interest at a variable rate based on the lender's LIBOR plus an applicable margin. Based on the outstanding balance at December 31, 2015, the impact of a 1.0% change in the lender's LIBOR rate will increase or decrease the REIT's interest expense or earnings by $467 on an annualized basis.

The REIT has no material exposure to currency risk.

(b) Credit risk arises from the possibility that tenants in investment properties may not fulfill their lease or contractual obligations. The REIT mitigates its credit risks by attracting tenants of sound financial standing and by diversifying its mix of tenants. It also monitors tenant payment patterns and discusses potential tenant issues with property managers on a regular basis. Cash carries minimal credit risk as all funds are maintained with highly reputable financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Liquidity risk is the risk that the REIT will encounter difficulty in meeting obligations associated with the maturity of financial obligations. The REIT manages maturities of the fixed interest rate mortgages payable, and monitors the repayment dates to ensure sufficient capital will be available to cover obligations.

20. Supplementary cash flow information:

Change in non-cash working capital comprises the following as at December 31, 2015 and 2014:

	2015	2014
Amounts receivable	$ (101)	$ (4)
Prepaid expenses	430	(423)
Restricted cash	(313)	67
Amounts payable and accrued liabilities	(275)	676
Amounts payable and accrued liabilities related to additions to investment properties	(221)	(1,026)
Security deposits	23	18
	$ (457)	$ (692)

21. Subsequent events:

On January 11, 2016, Welsh redeemed 6,600,000 Class B Units in exchange for ownership and control over 6,600,000 REIT Units.

On January 19, 2016, Welsh redeemed 1,902,619 Class B Units in exchange for ownership and control over 1,902,619 REIT Units.

On January 20, 2016, Alberta Investment Management Corporation and affiliates (“AIMCo”), on behalf of certain of its clients, purchased 4,783,122 REIT Units from Welsh, resulting in an approximate 19.9% ownership of the issued and outstanding REIT Units at the time of the purchase and approximately 15.9% ownership assuming all remaining Class B Units are redeemed for REIT Units, but otherwise on a non-diluted basis. Welsh, as a result of the sale, now directly and indirectly owns and controls approximately 16.5% of the issued and outstanding REIT Units and approximately 33.2% assuming all remaining Class B Units are redeemed for REIT Units (excluding options and DTUs outstanding under the REIT’s equity compensation plans).

Subject to certain conditions, including the non-renewal of the REIT's existing Unitholder Rights Plan Agreement at its next annual meeting of unitholders, AIMCo's effective interest in the REIT may be increased up to approximately 29% (assuming all Class B Units are redeemed for Units but otherwise on a non-diluted basis) by Welsh selling up to 4,468,085 additional REIT Units to AIMCo on or before August 31, 2016.

On January 20, 2016, WPT Capital Advisors, LLC (“WPT Capital”), a new entity, became the successor in interest to Welsh as asset manager under the first amendment to the asset management agreement and agreed to perform all of the duties and obligations as the asset manager of the REIT. Welsh and WPT Capital also entered into a sub-property management agreement dated January 20, 2016 pursuant to which Welsh sub-contracted with WPT Capital to perform certain of its obligations as the REIT’s external property manager under the existing property management agreement. The REIT also amended and restated the non-competition and non-solicitation agreement on January 20, 2016. Under this amended and restated agreement, WPT Capital is permitted to establish private investment funds that it will control and/or manage, but is otherwise subject to non-competition and non-solicitation arrangements with the REIT, as described therein.

UNITHOLDER INFORMATION

LISTING

Toronto Stock Exchange
(symbol WIR.U in U.S. Funds)
OTCQX (symbol: WPTIF in U.S. Funds)

Cash Distributions

Paid monthly at rate of
$0.0633 per Trust Unit in U.S. Funds

INVESTOR RELATIONS CONTACT

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AUDITOR

KPMG LLP
Toronto, Canada

TRANSFER AGENT

Computershare Trust
Company of Canada
100 University Avenue, 11th Floor
Toronto, Ontario M5J 2Y1
Phone: 1-800-564-6253
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Email: caregistryinfo@computershare.com

ADDRESS

WPT Industrial REIT
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

ANNUAL MEETING OF UNITHOLDERS

Friday, May 13, 2016 at 1.00 pm ET
Goodmans LLP
333 Bay Street, Suite 3400
Toronto, Ontario M5H 2S7

UNITHOLDER INFORMATION

This report contains "forward-looking information" as defined under applicable Canadian securities law ("forward-looking information" or "forward-looking statements") which reflect management's expectations regarding objectives, plans, goals, strategies, future growth, results of operations, performance, business prospects and opportunities of the REIT. The words "plans", "expects", "does not expect", "scheduled", "estimates", "intends", "anticipates", "does not anticipate", "projects", "believes" or variations of such words and phrases or statements to the effect that certain actions, events or results "may", "will", "could", "would", "might", "occur", "be achieved" or "continue" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable by management of the REIT as of the date of this report, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The REIT's estimates, beliefs and assumptions, which may prove to be incorrect, include the various assumptions set forth herein, including, but not limited to, the REIT's and the property's future growth potential, anticipated amounts of expenses, results of operations, future prospects and opportunities, the demographic and industry trends remaining unchanged, no change in legislative or regulatory matters, future levels of indebtedness, the tax laws as currently in effect remaining unchanged, the continual availability of capital, the current economic conditions remaining unchanged, and continued positive net absorption and declining vacancy rates in the markets in which the REIT's properties are located.

When relying on forward-looking statements to make decisions, the REIT cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not the times at or by which such performance or results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under "Risk Factors" in the REIT's annual information form for the year ended December 31, 2015, which is available under the REIT's profile on SEDAR at www.sedar.com. These forward-looking statements are made as of the date of this report and, except as expressly required by applicable law, the REIT assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.



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WPT REIT

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